SAN DIEGO HOUSING COMMISSION

REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: September 23, 2025 **REPORT NO**: HAR25-011

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of October 21, 2025

SUBJECT: Approval of the Revised Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan and the Revised Admissions and Continued Occupancy Policy for Public Housing

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve the revised Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan and the revised Admissions and Continued Occupancy Policy for Public Housing.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

1) Approve the revised Fiscal Year (FY) 2026 Section 8 Housing Choice Voucher Administrative Plan (Attachment 1)

2) Approve the revised Admissions and Continued Occupancy Policy for Public Housing (Attachment 3).

3) Authorize the San Diego Housing Commission's (SDHC) President and Chief Executive Officer (President and CEO), or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. SDHC staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.

SUMMARY

Section 8 Housing Choice Voucher Administrative Plan

The U.S. Department of Housing and Urban Development (HUD) requires all public housing authorities to adopt a written administrative plan that establishes local policies for the Section 8 Housing Choice Voucher program administration. The plan must state HUD-mandated policies and the public housing authority's policies in those areas where the public housing authority has discretion to establish local policy. San Diego Municipal Code Section 98.0301(d)(3) authorizes SDHC to adopt guidelines for the administration of programs previously approved and funded by the Housing Authority. On December 7, 1999, the Housing Authority approved Resolution HA-1036 (Attachment 5), which delegated authority to the SDHC Board of Commissioners (Board) to approve future administrative changes to the Section 8 Housing Choice Voucher Administrative Plan that do not affect selection preferences as approved by the Housing Authority. The proposed FY 2026 Section 8 Housing Choice

Voucher Administrative Plan affect selection preferences.

Emergency Housing Vouchers

The federal Emergency Housing Voucher (EHV) program, established in 2021, assists households that are experiencing homelessness; are at risk of experiencing homelessness; are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or who recently experienced homelessness and for whom rental assistance will help prevent their homelessness or a high risk of housing instability.

The American Rescue Plan Act of 2021 appropriated $5 billion for new incremental EHVs and the cost of administering EHVs nationwide, with 70,000 EHVs awarded to 626 public housing authorities. Of those, 501 EHVs were awarded to SDHC. U.S. Department of Housing and Urban Development (HUD) Notice PIH 2021-15 on May 5, 2021, said in part, “The funds appropriated for the EHV program are available for obligation by HUD only until September 30, 2030 and will be cancelled as a matter of law on September 30, 2035.” Based on this HUD notice, SDHC’s expectation was that HUD funding allocations would continue at least through 2030, and could be used through 2035, for families that remained in the EHV program at that time. However, a March 6, 2025, HUD letter to public housing authorities about their EHV program renewal funding for calendar year 2025 stated that after the calendar year 2025 allocation, HUD would provide no additional EHV funding to public housing authorities. The letter further stated, “…you should manage your EHV program with the expectation that no additional funding from HUD will be forthcoming.” HUD’s letter accelerated the end of EHV assistance by at least five years sooner than anticipated.

As required by the EHV program, SDHC has not reissued any turnover EHVs since September 2023, but SDHC continues to provide rental assistance for more than 460 EHV families who remain in the program. Approximately 20 more families are in a move process with an EHV and are searching for housing. EHV households consist of more than 900 individuals and represent some of the most vulnerable populations. For example, 56 percent of SDHC’s EHV households are seniors or disabled, and the average annual income for these families is $15,895. That means SDHC’s EHV families have the highest average housing assistance payments across all of SDHC’s voucher programs. This reflects their significant reliance on rental subsidies to sustain housing in San Diego’s high-cost rental housing market. Without this rental assistance, many of these families will be unable to pay their rent and likely will become homeless.

On May 7, 2025, SDHC received from HUD an estimated EHV Housing Assistance Payment Renewal Notice. Based on that notice, SDHC estimates the remaining available federal funding will allow SDHC to assist EHV families through fall 2026. At that point, the EHV program would end due to the lack of federal funding. There are no alternative funds to continue the EHV program.

To help mitigate the negative impacts on SDHC’s EHV families, SDHC has requested a variety of waivers from HUD, including allowing eligible veterans to be transitioned to the Veteran Affairs Supportive Housing (VASH) program and the creation of a local EHV priority for SDHC rental assistance wait lists, including wait lists for project-based vouchers. The EHV priority would apply only to current SDHC EHV participants. On June 20, 2025, HUD issued notice PIH 2025-19. This notice allows public housing authorities, including SDHC, to transition EHV families to the Section 8 Housing Choice Voucher program using its existing Housing Choice Voucher funding. HUD will not provide additional funds to transition EHV families to the Housing Choice Voucher program. SDHC will have minimal project-based Housing Choice Vouchers available prior to fall 2026 to offer EHV families as an alternative housing opportunity. The majority of EHV families remain at risk of housing instability and homelessness without supplemental funding.

According to the HUD notice, to transition EHV families into a public housing authority's Housing Choice Voucher program, the family must be selected through the public housing authority's waiting list. SDHC proposes a revision to the Section 8 Administrative Plan (Pages 10 and 11 of Attachment 1 and shown in Attachment 2 to this report) to create a local preference for current EHV-assisted families to SDHC's Section 8 and Project-Based Housing Choice Voucher waiting list whose assistance is at risk of termination due to lack of program funding. This priority will be available for up to 12 months after HUD's EHV funding has ended for the family. SDHC has satisfied all applicable HUD requirements for this proposed revision to the Section 8 Housing Choice Voucher Administrative Plan.

Admissions and Continued Occupancy Policy
HUD requires all public housing authorities to adopt a written administrative plan that establishes local policies for program administration. The plan must state the public housing authority's policies in those areas where the public housing authority has discretion to establish local policy. San Diego Municipal Code Section 98.0301(d)(3) authorizes SDHC to adopt guidelines for the administration of programs previously approved and funded by the Housing Authority. On December 7, 1999, the Housing Authority approved Resolution HA-1036, which delegated authority to the SDHC Board to approve future administrative changes to the Public Housing Occupancy Plan, now known as the Admissions and Continued Occupancy Policy (ACOP), that do not affect selection preferences as approved by the Housing Authority. SDHC proposes revisions to the ACOP to be consistent with the wait list preferences in the Section 8 Housing Choice Voucher Administrative Plan to reflect SDHC's strategic effort to ensure greater consistency, fairness, and administrative efficiency across both programs. The proposed revisions to the ACOP affect selection preferences.

SDHC's real estate portfolio includes 189 public housing units.

SDHC staff is recommending updates to the waiting list preferences in the ACOP.

Section 4-III.B. Selection Method
Federal regulations allow public housing authorities, including SDHC, to establish local preferences for the public housing waiting list and to prioritize serving families that meet those criteria. SDHC staff recommends the following updates to the public housing waiting list preferences in the ACOP to be consistent with the waiting list preferences in SDHC's Section 8 Housing Choice Voucher Administrative Plan:

SDHC Public Housing Waiting List Preferences (Page 91 of Attachment 3 and shown in Attachment 4 to this report.
Within each of the following numbered categories, applicants will be served by date and time of application.

1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a nonelderly person (under the age of 62) with a disability.

2. Other applicants who live and/or work in the City of San Diego.

3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.

4. Other applicants who do not live and/or work in the City San Diego.

FISCAL CONSIDERATIONS

The funding sources and uses proposed to be approved by this action are included in SDHC's Housing Authority-approved FY 2026 Budget. Approving this action will not change the FY 2026 total budget.

SDHC STRATEGIC PLAN

This item relates to SDHC's mission and Strategic Priority Area No. 4 in SDHC's Strategic Plan for FY 2022-2024.

- Mission: SDHC fosters social and economic stability for vulnerable populations in the City of San Diego through quality, affordable housing.
- Strategic Priority Area No. 4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

SDHC is in the process of developing a new Strategic Plan.

NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The SDHC Board previously has approved the Section 8 Housing Choice Voucher Administrative Plans, which included Board-approved initiatives contained within MTW Annual Plans, each year for FY 2010 (July 1, 2009 – June 30, 2010) through FY 2026 (July 1, 2025 – June 30, 2026). The SDHC Board approved the FY 2026 Section 8 Housing Choice Voucher Administrative Plan on May 9, 2025. On July 18, 2025, the SDHC Board approved the revisions proposed in this report.

On September 12, 2025, the SDHC Board voted to recommend that the Housing Authority approve the proposed revisions to the ACOP. The SDHC Board also approved revisions to the pet policy within the ACOP, pursuant to the authority delegated to the SDHC Board under Housing Authority resolution HA-1036.

On March 15, 2024, the SDHC Board approved the ACOP (Report No. HCR24-026; SDHC Board Resolution HC-2011).

On May 4, 2023, the SDHC Board approved the ACOP (Report No. HCR23-063).

On September 22, 2022, the SDHC Board approved the ACOP (Report No. HCR22-101).

On July 3, 2014, the SDHC Board approved the ACOP (Report No. HCR14-058).

On July 9, 2010, the SDHC Board approved the Revision to the ACOP (Report No. HCR10-021).

On December 7, 1999, the Housing Authority approved Resolution HA-1036, which delegated authority to the SDHC Board to approve future administrative changes to the Public Housing Occupancy Plan, now known as the Admissions and Continued Occupancy Policy, and the Section 8 Housing Choice Voucher Administrative Plan that do not affect the selection preferences as approved by the Housing Authority.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

A notice of public hearing about SDHC's ACOP was posted for a public comment period of 14 days starting on June 26, 2025, in San Diego's largest circulation newspaper. The proposed ACOP was published on SDHC's website along with information about the public hearing and how to submit public comments. In addition, invitation letters were sent to all SDHC public housing residents, requesting their participation. The public hearing was held in-person on July 9, 2025, at SDHC's headquarters office building at 1122 Broadway, San Diego, CA 92101. There were no attendees at the hearing, and no public comments were received.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The changes highlighted on Attachment 2, Matrix of Significant Section 8 Housing Choice Voucher Administrative Plan Changes, will affect SDHC's current EHV participants and households on SDHC's Section 8 Housing Choice Voucher wait lists, including wait lists for project-based vouchers. The intended impact of the changes will be to prevent homelessness for SDHC's current EHV participants.

SDHC's ACOP affects current and future public housing participants. The intended impact of this document is to provide guidelines of operation in accordance with the law and regulations, in support of decent, safe and sanitary housing conditions within the public housing portfolio.

ENVIRONMENTAL REVIEW

Section 8 Housing Choice Voucher Administrative Plan

California Environmental Quality Act

The revised Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan is not a project as defined by the California Environmental Quality Act Section 2106 and State CEQA Guidelines Section 15378(b) (5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required.

National Environmental Policy Act

The activity is categorically excluded from the National Environmental Policy Act (NEPA) under Title 24 of the Code of Federal Regulations, section 58.35(b)(1) and (b)(2), regarding tenant-based rental assistance and supportive services, including housing services, and is not subject to Title 24 of the Code of Federal Regulations, section 58.5, as approved by City staff on October 6, 2025..

Admissions and Continued Occupancy Policy

California Environmental Quality Act

The Admission and Continued Occupancy Policy Revisions are not a project as defined by the California Environmental Quality Act Section 2106 and State CEQA Guidelines Section 15378(b) (5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination

(NORA) is not required.

National Environmental Policy Act
Processing under the National Environmental Policy Act is not required because no federal funds are included in the proposed activity.

Respectfully submitted,

Azucena Valladolid
Executive Vice President of Rental Assistance and Workforce Development
San Diego Housing Commission

Approved by,

Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments:

1. Revised FY 2026 Section 8 Housing Choice Voucher Administrative Plan
2. Matrix of Significant Section 8 Housing Choice Voucher Administrative Plan Changes
3. Revised Admissions and Continued Occupancy Policy
4. Matrix of Changes to the Admissions and Continued Occupancy Policy
5. Housing Authority Resolution HA-1036

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.

SAN DIEGO HOUSING COMMISSION

San Diego Housing Commission Administrative Plan for the Section 8 Rental Assistance Programs

DRAFT

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A. INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act is and has been amended from time to time, and its requirements, as they apply to the Section 8 tenant-based assistance program, are described in and implemented throughout this Administrative Plan. The Section 8 rental assistance programs are federally funded and administered for the City of San Diego by the San Diego Housing Commission (SDHC) through its Rental Assistance Division.

Administration of the Section 8 Program and the functions and responsibilities of SDHC staff shall comply with SDHC's Personnel Policy and the Department of Housing and Urban Development's (HUD) Section 8 regulations as well as all federal, state and local Fair Housing laws and regulations. The jurisdiction of the SDHC is the City of San Diego, California.

B. MTW

On January 14, 2009, HUD approved the SDHC as a Moving to Work agency. The Moving to Work (MTW) demonstration program allows public housing authorities (PHA's) to design and test various approaches for providing and administering housing assistance. The Department of Housing and Urban Development's three main objectives of the program are to:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low-income families.

Locally, the Moving to Work program is known as "MTW." Throughout this document, there are policy references to MTW. These policies only apply to vouchers that qualify to be administrated under the Moving to Work program. Unless noted otherwise, all other policies in this plan apply to MTW vouchers and other voucher programs.

SDHC's portfolio of units that are not part of the MTW program as designated by HUD.

On September 16, 2011, the San Diego Housing Commission adopted the Fiscal Year 2012 MTW Annual Plan Amendment, which included the Path to Success initiatives. Path to Success modifies the method used to determine the rent portion for Housing Choice Voucher (HCV) Program families subject to Moving to Work provisions. As part of Path to Success, families have been identified as either Work-Able or Elderly/Disabled. The Work-Able calculation was designed to encourage Work-Able families to

increase income and become more financially self-sufficient. The SDHC Achievement Academy, a learning center with an emphasis on job skills and financial education, is available to all HCV families seeking economic independence. The Path to Success calculation used to calculate the rent portion for Elderly/Disabled families utilizes streamlining measures to reduce the burden of the recertification process. Path to Success was effective July 1, 2013.

The most current MTW Plan, as well as all previous plans, is available on SDHC's website at:

http://sdhc.org/Rental-Assistance/MovingForward-MTW/

C. PURPOSE OF THE PLAN [24 CRF 982.54]

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan. This Plan covers admission and continued participation in all voucher programs, including MTW and Special Programs described in later chapters. Policies are the same for all programs unless otherwise noted or superseded by federal statute or regulation or HUD approved policy.

SDHC is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. The Board of Commissioners of the agency must approve the Plan and any changes. Pertinent sections must be included in the Agency Plan, and a copy provided to HUD.

Applicable regulations include:

24 CFR Part 5: General Program Requirements;

24 CFR Part 8: Nondiscrimination;

24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program;

24 CFR Part 983: Project-Based Voucher Program; and

HUD approved MTW Policy and related documents.

This Administrative Plan is set forth to define SDHC's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Section 8 not addressed in this document are governed by such federal regulations, HUD memos, notices and guidelines, or other applicable law.

The Chief Executive Officer has the flexibility to grant exceptions to SDHC's adopted policy.

D. ADMINISTRATIVE FEE RESERVE [24 CFR 982.54]

Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes during each fiscal year will not be made without the prior approval of the Board of Commissioners.

E. NONDISCRIMINATION ASSURANCE

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

At SDHC, we are about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

To further its commitment to full compliance with applicable Civil Rights laws, SDHC will provide federal/state/local information to rental assistance clients regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because SDHC's facilities may be inaccessible to, or unusable by a person with a disability.

F. EQUITY AND INCLUSIVITY

SDHC embraces diverse approaches and points of view to improve its programs, projects and policies. SDHC believes in delivering programs and services in innovative and inclusive ways.

SDHC is committed to strengthening its equity assurance efforts, including ensuring high-quality and equitable processing of all of SDHC's programs and initiatives. These efforts support equity and inclusion in SDHC's existing and future programs, policies, activities and practices.

G. LIMITED ENGLISH PROFICIENT PERSONS

It is the policy of the San Diego Housing Commission to ensure that persons with Limited English Proficiency (LEP) shall not be discriminated against nor denied meaningful access to, and participation in, any of SDHC's programs and activities. By identifying the language needs of clients and utilizing available bilingual resources to address those needs, SDHC staff will ensure that LEP clients have the necessary meaningful access to all available services.

Towards that end, SDHC has adopted a "Language Access Plan" (LAP) that applies to all programs, services, activities and facilities of the SDHC, regardless of receipt of Federal financial support. The LAP concentrates on improving access to Housing Commission resources, with a focus on those areas with regular and frequent contact with LEP persons.

The entire Language Access Plan is available on SDHC's website under the Plans and Policies section.

H. ACCOMMODATIONS TO A PERSON WITH A DISABILITY POLICY [24 CFR 100.202]

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

An applicant and/or a participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before SDHC will treat a person differently than anyone else. SDHC's policies and practices will be designed to provide assurances that a person with a disability will be accommodated, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation may be made known by including notices on SDHC forms and letters. This policy is intended to afford a person with a disability an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have a disability. The policy is applicable to all situations described in this Administrative Plan including when a family initiates contact with SDHC, when SDHC initiates contact with a family, and when SDHC schedules or reschedules appointments of any kind.

To be eligible to request an accommodation for a person with a disability, the requester must first certify (if apparent) or verify (if not apparent) that they meet at least one of three qualifying definitions under the Fair Housing Act/Americans with Disabilities Act/Section 504 definitions of handicap. If a person's disability is obvious, or otherwise known to the SDHC, and if the need for the requested accommodation is also readily apparent or known, then the SDHC may not request any additional information about the requester's disability or the disability-related need for the accommodation.

The person must: [24 CFR 100.201]

Have a physical, mental or emotional impairment that substantially limits one or more of the person's major life activities;

Have a record of such impairment; or

Be regarded as having such an impairment

Rehabilitated former drug users and alcoholics are covered under the Americans with Disabilities Act (ADA). However, a current drug user is not covered. In accordance with 24 CFR 5.403, individuals are not considered disabled for eligibility purposes solely based on any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse is discontinued.

Once a person's status as a qualified person with a disability is confirmed, SDHC will require that a licensed doctor, or other health care professional with expertise related to the condition of the participant, makes the assessment and provide written verification that the person needs the specific accommodation due to their disability, and that the change is required for them to have equal access to the housing program.

If SDHC finds that the requested accommodation creates an undue administrative or financial burden, SDHC will deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires fundamental alteration of the essential functions of SDHC.

An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on SDHC.

SDHC will provide a written decision to the person requesting the accommodation within a reasonable time. If a client is denied the accommodation or feels that the alternative accommodation is inadequate, the client may initiate the Administrative Review Process.

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

All SDHC mailings will be made available in an accessible format upon request, to accommodate a person with a disability.

I. MANAGEMENT ASSESSMENT OBJECTIVES

Although the Moving to Work Program exempts SDHC from the Section 8 Management Assessment Program (SEMAP), the agency operates its housing assistance program with efficiency and can demonstrate to HUD auditors that SDHC is using its resources in a manner that reflects its commitment to quality and service.

J. LANDLORD OUTREACH [24 CFR 982.54(d) (5), 982.153]

SDHC makes a concerted effort to keep private landlords informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to landlords. This includes informing participant landlords of applicable legislative changes in program requirements.

In order to encourage landlords of decent, safe and sanitary housing units to lease to Section 8 families, SDHC has taken the following steps:

1. Landlord Services Unit

SDHC expanded its focus on landlord outreach and engagement with the creation of the Landlord Services Unit. .

2. Landlord Partnership Program

SDHC established the Landlord Partnership Program (LPP) with the aim of expanding housing opportunities for families by increasing the appeal of landlord participation in the HCV Program. By providing financial and supporting incentives to landlords who rent to HCV Program participants within the City of San Diego, SDHC seeks to recruit new and retain existing landlords in the HCV Program while eliminating current barriers to landlord participation.

Incentives may include the following:

-
- Assurance Fund to cover unpaid rent and damages caused by tenants beyond normal wear and tear exceeding the security deposit

- Move Flexibility Allowances to cover up to five days of Housing Assistance Payment overlap in the instance of an HCV tenant vacating a subsidized unit to move to a new unit

The Landlord Partnership Program incentives are contingent on continued funding levels from HUD and will be offered based on funding availability.

3. Landlord Advisory Committee

The Landlord Advisory Committee (LAC) is made up of local City of San Diego Landlords, property owners, and representatives from both state and local housing and apartment associations. The committee was created to obtain feedback on how the HCV Program can succeed in the private/local rental market. LAC goals include eliciting feedback regarding streamlining Section 8 processes by collaborating with landlords, eliminating landlord barriers to participation in the program, and discussing best practices or new programs and incentives to market the benefits of the HCV program to new and existing landlords within the city of San Diego.

K. CONFLICT OF INTEREST [24 CFR 982.161]

All SDHC employees shall abide by the Conflict of Interest regulation as follows:

Neither SDHC nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

Any present or former member or officer of SDHC (except an appointed resident commissioner);

Any employee of SDHC, or any contractor, subcontractor, or agent of SDHC, who formulates policy or who influences decisions with respect to the programs;

Any public office, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the program; or

Any member of the Congress of the United States.

Any of these members must disclose their interest or prospective interest to SDHC and HUD.

The conflict of interest prohibition may be waived by the HUD field office for good cause.

All SDHC staff is subject to the "Business Ethics and Conflict of Interest" provision as referenced in Section 109 of the SDHC Personnel Policy Handbook dated February 2, 2009.

L. ELECTRONIC SIGNATURE

The SDHC will implement the optional use of electronic signatures on program documents as permitted by law.

RESERVED

A. INTRODUCTION

This Chapter defines both HUD and SDHC's criteria for the waiting list, admission, and denial of admission to the program. The policy of SDHC is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply and 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.

B. APPLICATION TAKING PROCESS AND WAITING LIST

The purpose of application taking is to permit SDHC to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

Families who wish to apply for any one of SDHC's programs must complete an online Application for Housing Assistance.

Any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application. The information is to be filled out by the applicant whenever possible. To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted. Duplicate applications will be combined and the applicant will be given the earliest date and time of the active applications only. ~~Dropped~~ Removed application will remain in drop status.

The application process will involve two phases.

The first is the "initial" application for placement on the waiting list.

1. When the application is received by SDHC, it establishes the family's date and time of application for placement order on the waiting list.

The second phase is the "final determination of eligibility."

2. The determination of eligibility takes place when the family is selected for eligibility processing. At this time, SDHC ensures that verification of HUD and SDHC eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.

C. COOPERATIVE WAITING LIST

SDHC, the Housing Authority of the County of San Diego, Community Development Commission of the City of National City, City of Carlsbad Housing Authority, City of Oceanside Housing Authority, and the Housing and Development Department of the City of Encinitas agree to maintain a cooperative waiting list for those applicants who live in the jurisdiction of the other housing agency. Any other Housing

Agency within the region that requests to participate in the cooperative waiting list will be allowed to participate.

Each housing agency will exchange waiting list applications, preserving the original time and date of application, for applicants residing in the jurisdiction of the other agency.

Applications under the cooperative agreement who have been provided with rental assistance by SDHC will no longer be given the original date and time if the waiting list application is transferred to SDHC again.

D. FAMILY OUTREACH

SDHC will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis. When SDHC's waiting list is open, SDHC will publicize the availability and nature of housing assistance for very low-income families.

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

E. APPLICANT STATUS WHILE ON WAITING LIST [24 CFR 982.204]

Applicants are required to inform SDHC of changes in address, income, household composition and change in circumstances affecting the applicant's preference status within 14 days using the Waiting List Applicant Portal. Applicants are also required to respond to requests from SDHC to update information on their application and to determine their interest in assistance.

To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

After submission of the Application for Housing Assistance, the online confirmation page will be the applicant's written notification of waiting list status.

F. SPLIT HOUSEHOLDS (Prior to Voucher Issuance)

During the time while a family is on the Section 8 waiting list, if the family were to decide to split into two otherwise eligible families (due to divorce or legal separation-verification must be provided) and the new families both wish to claim the same placement on the waiting list, a separate application will be made for each with the original date and time of application that they had as an intact family.

However, if a family is selected from the Section 8 waiting list and begins the eligibility process for voucher issuance, the household will no longer be able to separate into two families. Instead, SDHC will have the final authority to determine which of the new family members would be best served by Section 8 assistance. SDHC will consider the following factors to determine which of the families will be issued the voucher:

Which of the new families has custody of the dependent child(ren).

The composition of the new families, and whether they include elderly or disabled members.

Whether domestic violence was involved in the breakup.

Recommendations of reliable, knowledgeable third-party professionals.

Upon request of SDHC, documentation of these factors will be the responsibility of the family. If documentation is not provided, SDHC will deny eligibility based on failure to provide information necessary for the eligibility determination.

G. WAITING LIST ORDER [24 CFR 982.204]

Except for Special Admissions, applicants will be selected from SDHC waiting list in accordance with policies, preferences and income targeting requirements defined in this Administrative Plan. SDHC will maintain information that permits proper selection from the waiting list.

H. SPECIAL ADMISSIONS [24 CFR 982.54(d), 982.203]

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

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

I. RANKING LOCAL PREFERENCES

Currently assisted SDHC Emergency Housing Voucher (EHV) families whose assistance is at risk of termination due to lack of program funding will receive priority on all Housing Choice Voucher waiting list selections, including project-based wait list. This priority will be available for up to 12 months past the conclusion of the EHV household's EHV subsidy. This preference is only available to SDHC's existing assisted EHV participants and will not be available to new port-in EHV families or currently administered EHV participants from other jurisdictions. EHV applicants will be served by date and time of application for tenant based vouchers and a lottery for project based vouchers.

1. EHV families who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.
2. Other currently assisted EHV applicants who live and/or work in the City of San Diego.
3. Currently assisted EHV families who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled

or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.

4. Other currently assisted EHV families who do not live and/or work in the City San Diego.

Then, within each of the following numbered categories, applicants will be served by date and time of application.

1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.
2. Other applicants who live and/or work in the City of San Diego.
3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.
4. Other applicants who do not live and/or work in the City San Diego.

J. INITIAL DETERMINATION OF LOCAL PREFERENCE

An applicant's certification that they qualify for a preference will be accepted without verification at the initial application. When the family is selected from the waiting list for the final determination of eligibility, the preference must be verified.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list without the local preference, with their original date and time of application.

K. CHANGE OF PREFERENCE [24 CFR 982.207]

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 SDHC using the Waiting List Applicant Portal when their circumstances change.

L. CROSS LISTING OF PUBLIC HOUSING AND SECTION 8

SDHC will not merge the waiting lists for Public Housing and Section 8.

M. PREFERENCE DENIAL

If SDHC denies a preference, SDHC will notify the applicant in writing of the reason(s) why the preference was denied and offer the applicant an opportunity for a review with a staff member other than the one who made the decision. If the preference denial is upheld because of the review, or the

applicant does not request a review, the applicant will be placed on the waiting list without benefit of the preference, with their original date and time of application.

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

N. REMOVAL FROM WAITING LIST AND UPDATE [24 CFR 982.204(c)]

The wait list will be updated periodically as needed to ensure a viable list of applicants. The mailing will ask for confirmation of continued interest.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless SDHC determines there were circumstances beyond the applicant's control.

If an applicant fails to respond to any mailings, which require a response, the applicant's name will be removed from the waiting list without further notice.

To provide specific accommodation for a person with a disability, a staff person may complete the information over the telephone.

If the applicant did not respond to SDHC's request for information or updates because of a family member's disability, SDHC will reinstate the applicant in the family's former position on the waiting list.

If a letter or other correspondence is returned by the Post Office as undeliverable, the applicant will be removed without further notice.

Requests for reinstatement will be allowed up to 24 months after applicant was removed from waiting list for failure to respond to the most recent Wait List update. Extenuating circumstances will be evaluated on a case-by-case basis.

O. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206; 982.54(d) (1]

Closing the Waiting List

SDHC may close a waiting list anytime that the SDHC determines that the applicant pool is large enough to fill the estimated amount of available Vouchers for the next twenty-four (24) months.

SDHC will announce the closing of the waiting list by public notice.

SDHC may close an entire waiting list or close only a portion, keeping part of the waiting list open and accepting applications only from certain categories of families that meet particular preferences or funding criteria or for any special programs.

If the waiting list is only open for special programs, SDHC will only accept applications for those specific special programs. During the period when the waiting list is closed, SDHC will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

Opening the Waiting List

SDHC will give at least two weeks advance public notice that a family may apply for housing assistance prior to opening the waiting list.

The notice shall be circulated in a local newspaper of general circulation, by minority media, and any other media outlets that SDHC finds suitable. The notice will comply with HUD fair housing requirements and will specify the following:

1. The PHA name and address
2. The dates, times and locations of where a family may apply and how to submit a pre-application
3. The program(s) for which pre-applications will be taken
4. A brief description of the program and eligibility criteria
5. Any limitations on the criteria for the type of family that may apply
6. The time limitation of the application period

Once a waiting list is open, SDHC will accept online applications from eligible applicants unless there is good cause for not accepting the application, such as denial of assistance because of action or inaction by members of the family for the grounds stated in the "Program Terminations and Program Integrity Unit" chapter of this Administrative Plan.

Applications will be accepted up to close of business on the date announced in the public notice. For purpose of this Administrative Plan, applications submitted via SDHC Rental Assistance Wait List Portal or by calling the Wait List Call Center on or before the closing date will be accepted.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months.

The SDHC will give at least seven days' notice prior to closing the list.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application.

P. SELECTION FROM WAITING LIST [24 CFR 982.204]

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

When a family has been selected from the waiting list, they must be prepared at that time to begin the eligibility process. If the family is unable to begin the process, the family will be removed from the waiting list and may reapply.

If a family does not respond to a selection letter, the family will be removed from the corresponding waiting list.

Families may request reinstatement, through an administrative review process, up to 12 months after being removed from a waiting list. Extenuating circumstances will be evaluated on a case-by-case basis.

Q. INCOME LIMITATIONS/INCOME TARGETING [24 CFR 982.201(b), 982.353]

Seventy five percent (75%) of new admissions shall not exceed 30% of the Area Median Income (AMI) as established by HUD. The remaining 25% may be between 31-80% of the AMI.

Meeting the income targeting requirements will require skipping higher income families on the waiting list as necessary to satisfy HUD's annual targeting requirement.

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

Families whose Annual Income exceeds the income limit will be denied admission and offered an administrative review.

For initial lease-up, families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving Public Housing Authority.

R. ELIGIBILITY DETERMINATION PROCESS

All preferences declared on the Application for Housing Assistance, or while the family is on the waiting list, must be verified after the family is selected from the waiting list.

Applicants must complete a Personal Declaration and HUD 92006, Supplement to Application for Federally Assisted Housing, and provide required verifications/documents for final eligibility determination. Household composition may not be changed, during eligibility determination, only to qualify for eligibility or a preference.

S. COMPLIANCE WITH ELIGIBILITY PROCESS

SDHC establishes procedures to gather the information and data necessary to determine a family's eligibility. The procedures require the participation and signatures of all adult family members, 18 years and older. When interviews are scheduled, all adult family members must attend. Failure to provide requested information and data may result in the denial of an application. Failure to attend the initial scheduled appointment will result in denial of the application. One reschedule will be allowed as a reasonable accommodation for a person with disabilities.

T. VERIFICATION [24 CFR 982.201(e)]

Information provided by the applicant will be verified, using the verification procedures in the 'Verification Procedures" chapter. Family composition, income, allowances and deductions, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications cannot be more than 120 days old at the time the verification is received by SDHC.

U. FINAL DETERMINATION OF ELIGIBILITY [24 CFR 982.201]

After the verification process is completed, SDHC will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by SDHC and the current eligibility criteria in effect. If the family is determined to be eligible, the head of household will be scheduled for a mandatory briefing where they will receive a voucher and an orientation to the housing program.

V. ELIGIBILITY FACTORS [982.201]

SDHC accepts applications only from families whose head or spouse is at least 18 years of age or emancipated minors under State law. To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by SDHC.

HUD eligibility criteria are:

An applicant must be a "family";

An applicant must be within the appropriate Income Limits;

An applicant must furnish Social Security Numbers for all family members;

An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification when required;

Reasons for denial of admission are addressed in the "Terminations and Program Integrity Unit" chapter. These reasons for denial constitute additional admission criteria.

Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a Voucher.

W. FAMILY COMPOSITION [24 CFR 982.201, 24 CFR 5.403]

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

A Family includes:

A family with a child or children.

Two or more persons living together that include a dependent, or one or more elderly individual or person with a disability living with a live-in aide.

SDHC determines if any other group of persons qualifies as a family.

A single-person family may be:

An elderly person

A homeless person with a disability

A veteran, or active U.S. Service Member who have served in active military for least four (4) months or longer and who shall have been released under conditions other than dishonorable, bad conduct or court martial.

A person with a disability. Individuals may not be considered disabled for eligibility purposes solely based on any drug or alcohol dependence.

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

An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan describe in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older.

A family will contain a Head of Household as defined in the Glossary. In addition, a family may contain either a Spouse or a Co-Head as defined in the Glossary.

1. Definition of a Live-in Aide

A family may include a Live-In-Aide (LIA) provided that such a live-in aide:

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

Is not obligated for the support of the person(s);

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

A health care provider must document the need for a Live-In-Aide;

The Live-In-Aide and their adult family members must provide the following: Picture identification, Social Security number verification, a completed “Conviction Record” form, and the Live-In-Aide must sign and submit a completed “Certification of Live-In-Aide” form. Minor children who are part of the LIA’s family are only required to provide verification of their Social Security numbers;

Family members that are currently residing in the assisted unit cannot become a Live-In-Aide.

A Live-In-Aide is treated differently than family members:

Income/assets/deductions of Live-In-Aide will not be counted for purposes of determining eligibility or level of benefits;

A Live-In-Aide is not subject to Non-Citizen Rule requirements; and a

A larger unit cannot be approved until the Live-In-Aide has been identified and approved by SDHC (the Live-In-Aide's family members may not cause over-crowding of the voucher or unit); and

A Live-in Aide does not have any continued occupancy rights if the person requiring care passes away or vacates the unit. If the Live-In Aide was permitted to bring additional household members with them to the unit, such persons similarly do not have rights as remaining family members to assume the voucher.

A relative is not automatically excluded from being a Live-In-Aide, but they must meet all of the elements in the Live-In-Aide definition described above. Landlord of the assisted unit may not be a Live-In-Aide.

A Live-in Aide's family member cannot be added as part of the assisted family voucher. .

A Live-In-Aide may only reside in the unit with the approval of SDHC. Written verification will be required from a reliable, knowledgeable professional. 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.

At any time, SDHC will refuse to approve a particular person as a Live-In-Aide or may withdraw such approval if:

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

The person has a history of drug-related criminal activity or violent criminal activity as defined by this Administrative Plan; or

The person currently owes rent or other amounts to SDHC or to another Housing Authority in connection with Section 8 or public housing assistance under the 1937 Act.

2. Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 186 days of the year, which do not have to run consecutively.

X. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

All applicants and participants (including each member of the household) are required to disclose their assigned Social Security Number and to provide verification of their Social Security Number. (This requirement also applies to persons joining the family after admission to the program.)

See Chapter 3.G.7 in this Administrative Plan for policy regarding verification requirements.

If a child under six years old was added to the household six months prior to the voucher issuance date, social security verification must be provided within 90 calendar days of the date of admission. If the applicant fails to produce documentation within the required time, the applicant will be terminated.

The applicant family will not be admitted to the program until all members of the household have met the Social Security Number disclosure and documentation requirements, except in cases in which an applicant family added a child under the age of 6 within 6 months of the voucher issuance date. The applicant family will have 90 days from the voucher issuance date to provide the social security verification for the child. Applicant families may request a 90-day extension to provide the social security verification if there are circumstances that could not reasonably be foreseen and were outside of the control of the applicant family. If the applicant family fails to provide the documentation within the required timeframe, the applicant family will be denied assistance.

Individuals who do not contend eligible immigration status may not have a Social Security Number to disclose and must sign a Social Security Number Declaration Form that they do not have an assigned Social Security Number. All applicants who disclose their Social Security Number must provide verification within 30 calendar days. An extension for an additional 30 calendar days will be granted when requested in writing. All applicants who fail to provide the requested verifications within the timeframe stated above will be determined ineligible and removed from the Waiting List.

SDHC will deny eligibility for assistance if the applicant (including each member of the household) does not disclose and/or provide documentation of Social Security Numbers within the specified period.

SDHC will verify each disclosed Social Security Number in the Enterprise Income Verification (EIV) system.

Y. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

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

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

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

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

Non-citizen Students: Defined by HUD, in the non-citizen regulations at 24 CFR 5.522, are not eligible for assistance.

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

Z. OTHER CRITERIA FOR ADMISSIONS [24 CFR 982.552(c)]

In addition to the HUD eligibility criteria, SDHC will apply the following criteria:

Before SDHC will allow participation in its Section 8 program, the family must be in good standing regarding any current payment agreement made with any PHA for a previous debt incurred, or have paid it in full.

SDHC will check criminal history for all adults in the household in accordance with the section on Criminal Activity Policy in the "Terminations and Program Integrity Unit" chapter to determine whether any member of the family has violated any of the prohibited behaviors.

SDHC will conduct searches in the Enterprise Income Verification (EIV) system related to Debts Owed to PHAs & Terminations and Verification Reports to avoid providing duplicate rental assistance to families already assisted.

If any applicant misrepresents the information on which eligibility or tenant rent is established, SDHC may deny assistance and may refer the family file for appropriate disposition.

The family must not have been terminated for violating any family obligation during a previous participation, within the last 10 years, in the Section 8 program prior to final eligibility determination.

SDHC will deny program admission to applicants if any member of the family has a present ownership interest in a suitable home for which they have the legal right to reside and legal authority to sell, unless the home is being purchased with a voucher or the family includes a person who is a victim of domestic violence or is offering the home for sale. This policy is not applicable to families with a mobile home.

AA. TENANT SCREENING [24 CFR 982.307]

SDHC will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

SDHC will not screen family behavior or suitability for tenancy. SDHC will not be liable or responsible to the landlord or other persons for the family's behavior or the family's conduct in tenancy.

The landlord is responsible for screening families based on their tenancy histories.

BB. CHANGES PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes in eligibility that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment.

CC. INELIGIBLE FAMILIES

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

RESERVED

A. INTRODUCTION

SDHC will use the methods as set forth in this Administrative Plan to verify and determine family income at admission and recertification. 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.

Applicants and program participants must provide true and complete information to SDHC whenever information is requested. SDHC's verification requirements are designed to maintain program integrity. This Chapter explains SDHC's procedures and standards for verification of preferences, income, allowable deductions, family status, and changes in family composition. SDHC will obtain proper authorization from the family before requesting information from independent sources.

HUD regulations require the factors of eligibility and Total Tenant Payment be verified by SDHC. SDHC staff will obtain written verification and will document the method of verification used in participant file.

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

SDHC will not accept Safe Harbor income determinations until a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD.

B. METHODS OF VERIFICATION

1. Methods of Verification for Housing Choice Voucher Participants

SDHC will verify information through the methods listed below in the following order of priority:

i. Review of Documents or Up-front Income Verification (UIV)

ii. Third-party Written/Oral

iii. Self-Declaration

Note: Enterprise Income Verification (EIV) System reports will continue to be generated and must be used in conjunction with review of documents to compare employment and income information provided by participant.

2. Mandated Use of the Enterprise Income Verification (EIV) System

[24 CFR §5.233]

SDHC will review the EIV Income Report of each family at full recertification of family income and/or composition to reduce participant under reporting of income and improper subsidy payments. The EIV Income Report is not required at interim recertification for Housing Choice Voucher participants.

C. DEFINITIONS OF METHODS OF VERIFICATION

This Section defines methods of verification but does not take precedence over Section A of this Chapter.

1. **Verification Hierarchy Definitions**

HUD Upfront Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source, that systematically and uniformly maintains income information in computerized form for a number of individuals using HUD's Enterprise Income Verification (EIV) system.

Non-HUD Upfront Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source, that systematically and uniformly maintains income information in computerized form for a number of individuals using a non-HUD System (i.e., Work Number, CalWIN, etc.).

Written Third Party Documents:

Reliable documentation generated by a third party source. Used to supplement EIV-reported income sources, other income sources and when participant disputes EIV-reported income information.

Examples of third-party documents include:

Pay stubs

Payroll summary report

Notice or letter of hire or termination from an employer

Benefit verification letter from the Social Security Administration (SSA)

Child support payment stubs/printout

Welfare benefit letter or printout

Unemployment monetary benefit letter

EIV may be used to verify termination of employment and unemployment benefits.

The SDHC may, at its discretion, reject any participant-provided document and follow up directly with the source to obtain verification.

Exception for Averaging

For the purpose of averaging annual income, at least one document used for averaging will be within 180 days at the time of voucher issuance for moves or new admissions, or the effective date for recertification or interim certification.

Written Third Party Verification Forms

A standard form sent directly to a third party source requesting specific information. The form is completed by the third party and returned directly to SDHC.

Oral Third Party Verification

Used when written third party verification is not available. SDHC staff will attempt to contact third party, via telephone or email, requesting information. Documentation of the phone call, person contacted and the information obtained will be included in the case file.

Self-Declaration

Utilized when obtaining verification via all other verification techniques is unsuccessful. An affidavit statement will be obtained directly from the participant declaring reported income and/or expenses. SDHC will document in the case file why the third party verification was not available. HUD does not require that a self-certification be notarized and no additional follow up is required.

2. Upfront Income Verification (UIV) and Income Verifications Timeframes:

New Admissions and Moves - Housing Choice Voucher

For applicants and participant families the UIV response is valid if dated 180 days from the time of voucher issuance.

For participant families the UIV response is valid if dated 180 days from the time of voucher issuance for moves or in advance of the recertification or interim certification.

3. Use of Third-Party Verification to Supplement Upfront Income Verification [24 CFR 5.236(b)]

Third party verification may be used to supplement or compliment UIV information when appropriate.

D. RELEASE OF INFORMATION [24 CFR 5.230; 5.232]

All adult family members will be required to sign the HUD-9886-A Release of Information/Privacy Act form and SDHC's Authorization for Release of Information at the next interim or regularly scheduled income recertification. After all family members over the age of 18 have signed and submitted, they will not be required to submit again.

Adult family members will be required to sign an SDHC authorization form that expands the HUD Form 9886-A, Authorization of Release of Information/Privacy Act Notice, allowing verification of any information that is not covered by the HUD authorization. HUD's Supplement to Applicant for Federally Assisted Housing Authorization form (HUD 92006) will be used to obtain authorization to release information to third parties and SDHC will verify the identity of the person signing the authorization form before releasing information.

Family members requesting to consent to the release of specific information may be provided with a copy of the appropriate forms for their review and signature, if requested.

It is a family obligation to supply any information and sign consent forms requested by SDHC or HUD. Family refusal to cooperate may result in denial of admission or termination of assistance.

Families have the right to revoke consent by written notice to SDHC, however, revoking consent will result in termination or denial of assistance. Termination process will be stopped if families then change their mind and provide written consent to abide by HUD consent regulations.

E. ITEMS TO BE VERIFIED [24 CFR 982.516]

The following items will be verified at recertifications, except when superseded by MTW policies:

All income not specifically excluded by the regulations.

Full-time student status.

Child care expense when it allows an adult family member to be employed, to further their education, or to seek employment.

Health and medical care expenses

Disability assistance expenses that allow an adult family member to be employed. This includes only those costs associated with attendant care or an auxiliary apparatus for a disabled member of the family.

Familial or marital status when needed for head or spouse definition.

The following items will be verified at mandatory recertification, based on a licensed doctor or a health care professional's certification of how long the condition will continue:

Disability for determination of preferences, allowances or deductions.

The need for a live-in aide and other types of reasonable accommodation.

In addition to the above, the following items will be verified when determining eligibility and when adding household members, including live-in aides:

Preference status (when determining eligibility only).

Picture Identification for all adults (age 18 or older) including live-in aides.

U.S. citizenship/eligible immigrant status.

Social Security Numbers for all family members over six years of age or older who have been issued a social security number.

History of criminal activity, illegal drug activity and alcohol abuse.

Upon implementation of HOTMA according to HUD's guidance **:**

Assets that Exceed $100,000 and Real Property that is Suitable for Residence for the Family

At the initial eligibility determination:

- If total family net assets exceed $100,000 and/or the family has a present ownership, in with a legal right to reside in or sell, real property that is suitable for residence for the family is not eligible for the rental assistance program.

At subsequent interim and biennial recertifications:

- SDHC establishes a total non-enforcement policy for all families, which means that they will not initiate termination or eviction proceedings for a family for non-compliance with the $100,000 asset limitation.
- SDHC establishes a limited-enforcement if the family has a present ownership, in with a legal right to reside in or sell, real property that is suitable for residence for the family is not eligible for the rental assistance program. Families who report owning a home suitable for residence will have 6 months to come into compliance, if they do not do so, termination processes will begin.

F. VERIFICATION OF PREFERENCES [24 CFR 5.410-5.430]

All preferences must be verified.

1. Live or Work in the City of San Diego

Copy of Lease Agreement and three most recent rent receipts, canceled checks or money order receipts.

A California driver's license or California ID in conjunction with copies of recent bills sent to the address.

Copy of paycheck stubs that indicate the location of the place of employment or third-party verification that indicates the place of employment.

2. Verification of "Homeless" in the City of San Diego:

SDHC uses HUD's Category 1 definition of literal homelessness that include the following:

1) Moving from an emergency shelter; or

2) Moving from transitional housing; or

3) Currently Homeless, which means:

a) An individual who lacks a fixed, regular, and adequate nighttime residence; or

b) An individual who has a primary nighttime residence that is:

i) A supervised publicly or a privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and Transitional Housing for the mentally ill); or

ii) An institution that provides temporary residence for individuals intended to be institutionalized; or

iii) A public or private place not designated for, or ordinarily used as, a regular sleeping accommodation for human beings.

A Certification of Homelessness is required to be completed by a third party that is a public or private facility that provides shelter for homeless persons, any social service agency that provides services for homeless persons, or a local Police Department.

3. Veteran

DD214 discharge document.

Letter from the Veteran's Administration verifying the branch of service, date and place of discharge and type of discharge.

4. Family of a Veteran

One of the above forms of verification must be provided for the veteran and familial status verified as follows:

Marriage certificate or license.

If veteran is deceased and the spouse has not remarried, a copy of the marriage certificate/license and a copy of the veteran's death certificate.

5. Active Military

Current military paycheck stub or current military ID.

6. Elderly

Proof of age through ID or other legal document verifying date of birth.

7. Disability

Verification of disability through proof of SSI/SSDI benefits or verification from a knowledgeable professional.

8. Family (Dependents)

Verification of household composition through birth certificate, other legal document confirming custody, or self-certification if the previous documents are not available. If dependent is a disabled adult, verification of disability through proof of SSI/SSDI benefits or verification from a knowledgeable professional. If dependent is a full-time student age 18 – 23, who is not a Head, Spouse or Co-head, and attending school or vocational training on a full-time basis as defined by the

institution will be verified through documentation from the school that verifies their student status, which includes a complete transcript with the current term.

G. VERIFYING NON-FINANCIAL FACTORS [24 CFR 5.508(b), 982.153(b) (15)]

1. Verification of Legal Identity

There must be verification of all applicants that reside in the household. Birth certificates or some proof of residence must be submitted for all minors. Picture ID is required for all adult household members, including live-in aides.

Acceptable verification for adults includes:

Certificate of Birth

Naturalization Papers (cannot be copied)

Acceptable documents from the U.S. Citizenship and Immigration Services (USCIS) Agency

Legal driver's license

US military discharge

US passport

Company ID

Health and Human Services ID

Social Security Card

Department of Motor Vehicles California ID

Acceptable verification for minors includes:

Certificate of Birth

Acceptable USCIS documents

Adoption papers

Custody agreement

Health and Human Services ID

School records

U. S. passport

2. Verification of Marital Status

Verification of divorce status must be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

3. Familial Relationships

The definition of "family" includes but is not limited to:

A family with or without children (a child temporarily absent from the home due to placement in foster care shall still be considered in determining family composition and family size);

An elderly family;

A disabled family;

A displaced family;

The remaining member of a family;

A single person who is not elderly, disabled, or displaced; and

Effective 1/1/2025, an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan describe in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older

Self-certification can be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide additional verification, such as:

Verification of relationship

Official identification showing names

Birth Certificates

Baptismal Certificates

Verification of guardianship

Court-ordered assignment

Notarized affidavit from the parent

Verification from social services agency

School records

Parent designation of responsibility for medical care

4. Verification of Permanent Absence of Family Member

If an adult member of the household is reported permanently absent by the family, SDHC will accept a self-certification (e.g., personal declaration form) If the head is the absent member, the spouse, co-head, or other adult member can report the change in household composition.

SDHC reserves the right to require any of the following as verification that the household member is absent from the home:

Divorce action paperwork.

Legal separation paperwork.

Order of protection/restraining order obtained by one family member against another.

Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement.

Statements from other agencies such as social services or a written statement from the landlord stating the adult family member is no longer living at that location.

Document from the Court or prison stating how long the adult family member will be incarcerated.

5. Verification of Change in Family Composition

SDHC may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, statements from landlord or neighbors, credit data, school or DMV records, and other sources.

6. Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act 42 U.S.C. 6001(7) or verified by a reliable, knowledgeable third-party healthcare professional, using the HUD language as the verification format.

7. Social Security Number Disclosure and Verification Requirements [24 CFR 5.216, PIH Notice 2010-3, PIH Notice 2023-27]

Social Security Number (SSN) Disclosure

Applicants, participants (including each member of the household) and live-in aides are required to disclose their assigned SSN, with the exception of the following individuals:

Participants who have previously disclosed a valid SSN verified by EIV.

Individuals who do not contend to have eligible immigration status (individuals who may be unlawfully present in the United States) and have not been assigned an SSN.

Existing program participants, who as of January 31, 2010, were 62 years of age or older (born on or before January 31, 1948).

SSN Documentation

All assisted household members who are not exempt must provide documentation of a valid SSN.

Acceptable evidence of the SSN consists of:

Original SSN card issued by SSA;

Original SSA-issued document, which contains the name and SSN of the individual; or

Original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

If a member of the family is unable to provide a Social Security card or other evidence of their SSN, SDHC will accept a self-certification stating the person's name and a declaration from the person stating 1) why they cannot obtain their Social Security card and 2) what their SSN is *and* at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual.

If SDHC has accepted any declarations as evidence of a SSN, SDHC will review the Failed SSA Identity Report monthly to quickly identify any participants whose identity is not verified.

Participants that do not have a SSN and are not exempt from disclosing a SSN will have thirty (30) days to provide verification of a SSN. In addition, they must sign a written declaration in writing under penalty of perjury that they have not been assigned a SSN.

Rejection of Documentation

SDHC may reject documentation of the SSN provided by the applicant or participant for the following reasons:

Document is not an original document; or

Original document has been altered, mutilated, or not legible; or

Document appears to be a forged document (i.e. does not appear to be authentic).

SDHC will explain to the applicant or participant the reason(s) the document is not acceptable and will request the individual obtain acceptable documentation of the SSN and submit it to SDHC within a specified period.

Verification of the SSN

SDHC will retain a copy of the acceptable documentation until the SSN is verified through EIV.

SSN Requirements for Additions of New Household Members Six Years or Older

Must provide acceptable documentation of their SSN. If the required documentation is not provided, the new household member cannot be added until such documentation is provided.

Under Six Years Old

With an assigned SSN: Must provide acceptable documentation of the SSN. If the required documentation is not provided, the new household member cannot be added until such documentation is provided.

Without an assigned SSN: The required documentation must be provided within 90 calendar days of the child being added to the household. If the family is not able to disclose and provide the required documentation within 90 calendar days, the family will be granted an extension if they provide documentation that they were unable to comply with the requirements due to unforeseen circumstances that were outside the control of the family.

Penalties for Failure to Disclose and/or Provide Documentation of SSN

In accordance with 24 CFR 5.218, the following penalties apply for noncompliance with the SSN disclosure and documentation requirements. Please see Chapter 3.G.7 of this Administrative Plan for verification/documentation requirements

Applicants

SDHC will deny eligibility of assistance to the applicant family if any member of the household, required to disclose a valid SSN, does not disclose and/or provide documentation of such SSN.

If the family is otherwise eligible to participate in the program, the family may maintain their position on the waiting list for a period of 30 calendar days. An extension for an additional 30 calendar days will be granted when requested in writing.

Participants

SDHC will terminate the assistance of any participant family if any family member does not disclose their SSN and provide the required documentation within 30 days.

If the family is otherwise eligible for continued participation in the program, SDHC has the discretion to defer the family's termination. The family will be provided an opportunity to comply with the requirement. A period not to exceed 90 calendar days from the date SDHC determined the family noncompliant with the SSN disclosure and documentation requirement will be granted, if the PHA determines:

> The failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside the control of the family; and

There is a reasonable likelihood that the family will be able to disclose the SSN and provide such documentation of the SSN by the deadline.

8. Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury. Individuals who are neither U.S. citizens nor eligible immigrants may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by the U.S. Citizenship and Immigration Services Agency. Each family member must declare under penalty of perjury his or her status only one time using one of the following forms:

Declaration of Citizenship (Section 214)

Declaration of Lawful Resident Status (Section 214)

Declaration of Ineligible Family Members (Section 214)

Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while an SDHC hearing is pending.

SDHC may require citizens to provide documentation of U. S. citizenship. Acceptable documentation may include:

U. S. birth certificate

U. S. passport

Social Security card

Other documentation as determined by SDHC

Eligible Immigrants who are 62 years of age or older are required to sign a declaration of eligible immigration status form and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents. SDHC verifies the status through the USCIS SAVE system. If this primary verification fails to verify status, SDHC must request that the USCIS conduct a manual search.

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

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

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents as required, they must be included as an ineligible member. If the

entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility.

For participants, the verification occurs when adding any new family member into the household composition.

Once verification is completed, it does not need to be verified again.

SDHC will not assist any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

9. Acceptable Documents for Non-Citizens with Eligible Immigration Status

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

Resident Alien Card (I-551)

Alien Registration Receipt Card (I-151)

Arrival-Departure Record (I-94)

Temporary Resident Card (I-688)

Employment Authorization Card (1-766, formerly I-688B)

Receipt issued by the USCIS for issuance of replacement of any of the above documents that shows the individual's entitlement has been verified.

A birth certificate is not an acceptable form of verification of status.

All documents concerning U.S. citizenship/eligible immigrant status must be kept for five years.

H. VERIFICATION OF DRUG OR VIOLENT CRIMINAL HISTORY, REGISTERED SEX OFFENDERS AND ALCOHOL ABUSE

SDHC will perform a criminal history check and sex offender registration records search on every adult (18 years or older) household member and live-in aide, utilizing a third-party source, the San Diego Police Department and other applicable comprehensive methods of verification.

I. CONFIDENTIALITY OF CRIMINAL RECORDS

SDHC will ensure that any criminal record received is confidentially maintained, not misused or improperly disseminated, and destroyed not more than 30 days after SDHC's final decision. A decision on the individual's eligibility is not final until the period for all possible appeals has elapsed.

J. DEFINITION OF INCOME [24 CFR 5.609]

Income is defined as all monetary amounts received on behalf of the family. In accordance with this definition, all income that is not specifically excluded in the HUD regulations or by MTW policy is counted. Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or biennial recertification. Gross income is the amount of income before any allowable expenses or deductions, and does not include income that has been excluded by HUD and/ or MTW policy. Annual income is used to determine whether applicants are within the applicable income limits.

1. Income of Person Confined to a Nursing Home

If a family member is permanently confined to a hospital or nursing home and there is a remaining household member(s), SDHC will remove the permanently confined member and the member's income.

2. Regular Contributions and Gifts

A regular gift or contribution is counted as income when there is an agreement between the parties, oral or written, that the gift or contribution will be received on a regular basis.

3. Nonrecurring Income

Income that has a discrete end and will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification) during the family's upcoming recertification period will be excluded from a family's annual income as nonrecurring income.

However, income received as an independent contractor, day laborer, or seasonal worker is not excluded from income, even if the source, date or amount of the income varies.

4. Alimony and Child Support

Alimony and child support payments are counted as income.

It is the family's responsibility to supply verification of alimony and child support payments.

5. Employer Mileage Reimbursement

Employment reimbursement for mileage expenses for use of personal vehicle is not counted as income.

6. Employer Paid Medical/Flex/Cafeteria Benefits

Benefits paid by the employer to purchase medical, dental, visual, disability insurance, and/or other benefits allowable to be purchased by the employee under paid benefits, will not be counted as income. The excess amount not used by the employee to purchase benefits and paid directly to the employee as taxable income will be counted as income.

K. VERIFICATION OF INCOME [24 CFR 982.516]

The following defines the methods SDHC will use to verify various types of income.

1. Employment Income

Verification forms may request the employer specify the following:

Dates of employment

Amount and frequency of earnings

Date of last pay increase

Earnings history

Year-to-date earnings

Expected change in employment status

Effective date of any anticipated wage increase during the next twelve months

Anticipated unpaid time off

Acceptable methods of verification include, in order of priority:

1) Upfront Income Verification.

2) Employment verification form completed by the employer (third party written).

3) Oral third-party verification.

4) Paycheck stubs or earnings statements, which indicate the employee's gross pay, frequency of pay or year-to-date earnings (review of documents).

5) W-2 forms plus completed 1040 Federal Income Tax return form, including Schedule C if applicable (review of documents).

6) Self-certifications or income tax returns signed by the family for verifying income from tips and other gratuities.

In cases where there are questions about the information provided by the family, SDHC may require the most recent federal income tax statements and returns.

2. Social Security and Supplemental Security Income

Acceptable methods of verification include, in order of priority:

1) Upfront Income Verification through EIV for Social Security and Supplemental Security Income.

2) Third-party documents. A computer report, SSA annual award letter, SSA benefit notification or cost of living adjustment letters provided by the family.

Note: SDHC may verify changes in standard benefit amounts and establish an effective date for implementation.

3. Pensions and Disability Income

Acceptable methods of verification include, in order of priority:

1) Upfront verification

2) Third party documents provided by the participant, i.e., an award letter, benefit notification or cost of living adjustment letter dated within the last 60 days.

3) Third party verification forms; benefit verification form completed by the agency providing the benefits.

4) Third-party oral verification by staff contacting the income source via telephone or in person.

5) Self-certifications (Affidavit of sworn statement provided by the participant). This method will be used when higher levels of verification are not available.

4. Unemployment Compensation

Acceptable methods of verification include, in order of priority:

1) Upfront verification through EIV.

2) Upfront Income Verification UIV.

3) Third party documents provided by the participant, i.e., a computer report, benefit amount award letter or payment stubs from EDD/printout.

4) Third party verification forms provided by the participant completed by the unemployment compensation agency or unemployment report that is e-mailed, faxed, or mailed directly from EDD.

5) Third-party oral verification by staff contacting the income source via telephone or in person.

6) Self-certifications (Affidavit of sworn statement provide by the participant). This method will be used when higher levels of verification are not available.

5. Welfare Payments

Acceptable methods of verification include, in order of priority:

1) Upfront Income Verification (UIV).

2) Third-party documents provided by the participant, i.e., a computer report, Notice of Action letter from DHHS.

3) Third-party forms (SDHC verification form completed by the DHHS agency/payment provider).

4) Third-party oral verification by staff contacting the income source via telephone or in person.

6. Alimony or Child Support Payments

Acceptable methods of verification include, in order of priority:

1) Upfront Income Verification (UIV).

2) Third-party verification documents provided by the participant, i.e., a copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.

If the amount of child support or alimony received is less than the amount awarded by the court, SDHC will use the amount awarded by the court unless the family can verify they are not receiving the full amount and verification of item(s) below are provided:

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 or

A written declaration from the person paying the support.

Copies of personal checks and/or payment stubs from Court Trustee.

3) Third-party verification form completed by the Child Support Agency or the party responsible for enforcement or collection; or

4) Third-party oral verification by staff contacting the income source via telephone or in person.

5) Self-certifications (Affidavit of sworn statement provided by the participant). This method will be used when higher levels of verification are not available.

7. Net Income from a Business/Self Employment

In order to verify the net income from a business, SDHC accepts third-party documents provided by the participant and will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

IRS Form 1040, including:

Schedule C (Small Business)

Schedule E (Rental Property Income)

Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules must be submitted.

Audited or unaudited financial statement(s) of the business.

Documents such as manifests, daily logs, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Credit report or loan application.

Family's self-certification as to net income realized from the business during previous years. After the initial eligibility appointment, rental costs associated with the rental unit will not be counted as a business expense. For some self-employment types, where there is the potential for substantial income, self-certification is unacceptable and business receipts will be required.

In cases of large gross income yet minimal net income to applicant or participant, additional documentation may be required, for example, documentation of wages and payroll taxes, receipts for expenses, etc.

Income from self-employment can be positive or zero. Self-employment losses cannot reduce other income to the household.

8. Child Care Business

If an applicant/participant is operating a licensed childcare business, income will be verified just as any other business.

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

Name of person(s) whose child (children) is/are being cared for

Phone number

Number of hours child is being cared for

Method of payment (check/cash)

Amount paid, and

Signature of person

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

9. Recurring Gifts

If an applicant/participant is receiving recurring gifts, these will be verified just as any other income source. The applicant/participant family must report all of the following information:

The person who provides the gifts; and

The value of the gifts;

The regularity (dates) of the gifts;

The purpose of the gifts.

10. Zero Income Status (Work-Able Families Only)

The family will be required to complete Monthly Budget forms and a Zero Income certification statement, notarization is not required.

Families claiming to have no income may be required to provide verification that they are not receiving any income from sources such as unemployment benefits, CalWORKs, etc.

SDHC may request information from the State Employment Development Department.

SDHC may run a credit report.

11. Full-Time Student Deduction

Households with full-time student(s) 18 to 23 years of age, not including the head of household, spouse or co-head, are eligible to receive a Full-Time Student Income Deduction when calculating the annual income if proper verification/documentation is provided.

The deduction includes:

Exclusion of 100% of earned wages per year.

In order to qualify for the deduction, each adult in the household who is a full-time student (18 to 23 years of age, not including the head of household, spouse or co-head), must provide documentation from the school that verifies their student status, which includes a complete transcript with the current term.

A school transcript may be provided in the following instances:

Intake process

Recertification

Interim

Move

As required by SDHC

Required Information

In order to qualify for the Full-Time Student Deduction, the family must provide the following school verification and documentation to SDHC in a timely manner for each full-time student. A separate page containing any information not listed on the transcript must be obtained from the school and attached to the transcript before it is submitted to SDHC.

School name and mailing address

Student's name

Transcript of student's complete enrollment history, including the current term. **Note:** If the student has not been enrolled long enough to have a transcript, they must provide written school verification of their current enrollment status

The equivalency for the enrolled units listed on the transcript (full-time, part-time, not enrolled, withdrawn, etc.) Unless otherwise specified by the school, full-time student status equals 12 or more units/hours

The Full-Time Student Certification form must be completed, signed and dated by the Head of Household and each adult student.

Change in Student's Status

When there is a change in the student's status, a written notice to SDHC is required within 30 days of the change.

Note: Full-time student status will not be approved if information is missing from the form.

The SDHC form must be signed and dated by the Head of Household and each adult full-time student in order to acknowledge their understanding of the following:

A complete transcript of student's enrollment history, including the current term, must be obtained from the school. The transcript and or supporting verification must include all required information.

The SDHC may conduct periodic follow-up verifications to ensure students are enrolled full-time as reported (the student may be required to provide additional documentation as deemed appropriate).

Any changes to the enrollment status from full-time to a lesser level must be reported in writing within 30 days. The case will then be re-evaluated and may result in an increase to the rent portion.

If the student did not maintain their full-time status and assistance was overpaid, a repayment agreement will be executed.

Failure to provide complete and accurate information regarding full-time student status may result in termination of rental assistance.

Minors who turned 18 years old since the last recertification review may not be designated as a full-time student without obtaining the proper status verification and signed certification form.

Change to Part-Time Student Enrollment Status

When the participant reports a change from full-time to part-time enrollment status, no change letter will be issued..

Student status will be reviewed at the next recertification.

Verifying Full-Time Student Status during the Summer Months or School Closure

A student's status will be considered full time if:

Verification from the school indicates that they attend full time

Transcripts indicate a record of attending school full time during the regular school year

Student has not graduated from the school

Verification of Exempt Wages after Full-Time Student Status verified:

Only one paystub is necessary for calculating the amount of exempt wages for a full-time student.

12. Full-time Student Status – Financial Assistance

Verification of full-time student status includes:

Written verification from the registrar's office or other school official.

School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

For Housing Choice Voucher participants, SDHC will exclude all financial aid from the income calculation in all circumstances. The student rule surrounding the determination of programmatic eligibility for applicants still applies per the current Federal regulations and Public Law.

13. Graduation Incentive Program

The Graduation Incentive Program rewards program participants for pursuing and completing higher education while receiving rental assistance. Students graduating with a post-secondary degree, diploma, or certificate of completion may be eligible to receive a monetary award upon completing and submitting a program application with proof of graduation from an eligible post-secondary educational facility.

An applicant may be eligible for the monetary award upon graduating from one of the following types of institutions of higher learning which:

Awards a bachelor's degree, or

Provides a program of not less than 2 years that is acceptable toward a bachelor's degree, and are accredited or in pre-accredited status, or

Is an accredited institution that provides a one-year (or longer) program preparing students for gainful employment, or

Admits only students with a certificate of graduation from secondary school or the equivalent of such a certificate, or

Admits students who are beyond the age of compulsory school attendance.

Any adult family member in the assisted household (including the head, spouse, or co-head) is eligible to receive the award. Live-in Aides are excluded from participating in the Graduation Incentive Program. An eligible program participant may receive only one award per lifetime for acquiring a degree, diploma, or certificate of completion.

14. Excluded Income Policy

SDHC will not verify, count, or report income amounts specifically identified by HUD and/ or MTW policy as 100% excluded from the income calculation process, as well as earnings for full-time students ages 18 to 23, which are 100% excluded. Examples of 100% excluded income are earnings from minors, amounts paid by a State agency to the family for the care of a family member with a disability, and food stamps.

15. Local Income Inclusion (Housing Choice Voucher Participants)

Income received as KinGap, Foster Care, and Adoption Assistance payments are not excluded as income in the Housing Choice Voucher program per MTW initiative. The entire amounts received from these income sources will be counted as income and used in the rent calculation.

L. ALLOWANCES AND DEDUCTIONS

Adjusted Income is defined as the annual income minus allowable expenses and deductions.

Allowable allowances and deductions for families subject to the Path to Success rent calculation are as follows:

Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school or actively seek employment.

Health and Medical Care Expenses: Eligible elderly/disabled family members may receive an allowance for unreimbursed health and medical care expenses.

Disability Assistance Expenses: An allowance for attendant care or auxiliary apparatus for a person with a disability if needed to enable the individual or an adult family member to work.

Health and medical care expenses and disability assistance expenses are calculated and verified as explained in Section P of this chapter. The allowable medical and disability assistance expenses have been combined and simplified into bands with deduction amounts as shown below:

Health and Medical Care Expenses	Medical Deduction Given
$0 - $2,499	$0
$2,500 - $4,999	$2,500
$5,000 - $7,499	$5,000
$7,500 - $9,999	$7,500
$10,000 +	Actual Expenses

M. CHILD CARE EXPENSES [24 CFR 5.603]

Childcare expenses for children under 13 years of age may be deducted from annual income if it enables an adult to work, attend school full time, or actively seek employment. The cost of tuition for a child attending private school will not be counted as childcare expenses; only after-hours care can be counted as childcare expenses.

Deductions for childcare expenses are based on the following guidelines:

1) **Child Care to Work**: The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The person enabled to work will be the adult member of the household who earns the least amount of income from working;

2. **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, including reasonable travel time to and from school; or
3. **Child Care for Seeking Employment**: The number of hours claimed for childcare may not exceed 20 hours per week.

N. VERIFICATION OF CHILD CARE EXPENSES

Written verification from the person who receives the payment for childcare is required.

Verification must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Upon implementation of HOTMA according to HUD’s guidance, The following hardship exemption to continue child care expense deduction will go into effect.

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction. SDHC will recalculate the family's adjusted income and continue the child care deduction. The family must demonstrate to SDHC's satisfaction that the family is unable to pay their rent because of loss of the child care expense deduction, and the child

care expense is still necessary even though the family member is no longer employed, looking for work or furthering his or her education.

The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Additional 90 day extensions may be granted on a base-by-case basis.

SDHC will promptly notify the family in writing electronically or by mail of adjusted income and rent portion due to approved hardship. Families are required to report to SDHC if the circumstances that made the family eligible for the hardship change within thirty (30) days.

O. HEALTH AND MEDICAL CARE EXPENSES [24 CFR 5.609, 5.603]

Anticipated health and medical care expenses will be calculated by using one of the two following methods, (whichever is more beneficial to the family);

1. **Current Circumstances**: Use the family's current medical bills, accumulated over the last twelve months, as anticipated health and medical care expenses.

2. **Estimated Circumstances**: Estimate the cost of medical bills based on current or anticipated medical bills that will be on-going expenses.

Examples of allowable health and medical care expenses include:

Services of doctors and health care professionals

Services of health care facilities

Medical insurance premiums

Long-term care premiums

Prescription medicines

Transportation to treatment (cab, bus fare, or other public transportation)

Dental expenses, eyeglasses, hearing aids, batteries

Live-in or periodic medical assistance

Acupressure, acupuncture, and chiropractic services will be considered allowable health and medical care expenses

Non-prescription medicines and non-traditional treatments, vitamins and herbal supplements will be counted toward health and medical care expenses for families who qualify if the family furnishes legible receipts when prescribed by a physician.

Medical marijuana usage is not allowable as a medical expense.

When it is unclear in the HUD rules as to whether or not to allow an item as a health and medical care expense, IRS Publication 502 will be used as a guide.

Receipts or other record of health and medical care expenses paid by the family during the previous year (appointment date to appointment date, or in the case of mail-in biennial recertification, due date to due date) can be used to anticipate future health and medical care expenses. If an applicant/participant will become entitled to a deduction, health and medical care expenses will be anticipated based on verification provided.

SDHC will not duplicate a health and medical care expense that was already allowed during the prior years.

1. Verification of Health and Medical Care Expenses

Families may only claim health and medical care expenses that have not been and will not be reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, stating:

The anticipated medical costs to be incurred by the family and regular payments due on medical bills; and

Extent to which those expenses will be reimbursed by insurance or a government agency;

Written confirmation by the insurance company or employer of health insurance premiums paid by the family;

Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout is acceptable verification.

Receipts from medical professionals, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months. When using these receipts to verify health and medical care expenses, receipts must indicate the name of the provider, name of patient, date of purchase/transaction, service/product provided, and amount paid by patient. If the receipt comes from an individual, for example a care-provider, the receipt should also provide the address and phone number as contact information.

Receipts for non-prescription medicines, non-traditional treatments, vitamins and herbal supplements must be submitted in conjunction with a prescription from a physician for expenses likely to be incurred in the next 12 months.

Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

Receipts or other record of health and medical care expenses incurred during the past 12 months that can be used to anticipate future health and medical care expenses. SDHC may use this approach for "general health and medical care expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not as reimbursement for one-time expenses from the previous year.

Mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

For attendant care:

A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes; and

Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

2. Assistance to a Person with a Disability

In All Cases:

Written certification from a licensed third-party professional or certified social service agency that the person with a disability requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function independently to enable another family member to be employed;

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

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided; or

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus; or

In the case where the person with a disability is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

3. Verification of Reasonable Accommodation to Accommodate a Person with a Disability

All applicable information must be provided. Acceptable verification of reasonable accommodation to accommodate a person with a disability include, in this order:

All requested information may be provided on the SDHC's verification form completed by a licensed doctor, or other health care professional.

A letter from a licensed doctor or other health care professional with expertise related to the condition of the participant that provides the following information:

Whether or not the nature of the patient's disability requires an accommodation in order to make the program equally accessible;

How long the need will last;

Accommodation that is being requested by the family and recommended by the health provider health care professional;

An explanation or nexus of how this accommodation to the patient's disability is reasonably necessary to make the program accessible; or

If the accommodation cannot be provided, a list of all alternatives that would serve to make the Section 8 program accessible to the family.

The requested housing type must be approvable by all other HUD standards and HQS requirements in accordance with 24 CFR 982 Section M, Special Housing Types.

RESERVED

A. INTRODUCTION

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

B. MINIMUM RENT

1. Elderly/Disabled Families

The minimum rent for elderly/disabled families is zero dollars. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the minimum rent.

2. Work-Able Families

The minimum rent for work-able families is based on the number of work-able adults in the family. If the tiered table tenant rent portion calculation results in a lower number than the minimum rent, the minimum rent amounts for work-able families will prevail. A family's rent portion calculation cannot be less than the minimum rent. The minimum rents were implemented in two phases. The minimum rent for a family with one work-able adult was $200 in phase 1, and $300 in phase 2. The minimum rent for a family with two or more work-able persons was $350 in phase 1, and $500 in phase 2. A third phase was implemented on January 1, 2020. The minimum rent for a family with one work-able adult is $400. The minimum rent for a family with two or more work-able persons is $650.

Path to Success (PTS) Hardship Request for an Exception to Minimum Rent

SDHC recognizes that in some circumstances the minimum rent may create a financial hardship for families. All requests for the hardship exemption must be in writing. SDHC will review all relevant circumstances brought to SDHC's attention regarding financial hardship as it applies to the minimum rent. Gross income before exclusions will be considered for purposes of determining eligibility for the hardship exemption. The family must sign a document consenting to participate in required self-sufficiency activities with the Achievement Academy. Criteria for hardships may include but not be limited to:

Family's shelter burden is greater than the acceptable level as calculated by SDHC, 40% for elderly/disabled families and 45% for work-able families.

The family must consist of a single adult head of household with one or more dependents.

Families approved for a hardship will have their rent calculated per the Hardship Rent Table below.

HARDSHIP RENT TABLE	
Annual Income	**Hardship Rent**
$0 - $4,499	$0
$5,000 - $9,999	$125
$10,000 - $14,499	$250
$15,000 - $19,999	$375

3. Hardship Request Process

All requests for minimum rent hardship exceptions are required to be in writing. SDHC may request documentation as proof of financial hardship. The requests will be reviewed by the Hardship Review Committee and analyzed on a case-by-case basis. The Hardship Review Committee will make the final determination.

SDHC will provide, in writing, the decision of the rent hardship request. If approved, SDHC will suspend the minimum rent for the family, effective the first day of the month after the request is received by SDHC. The approval letter will also contain the length of the term of the exemption.

SDHC will monitor the family's compliance with the hardship requirement to participate in Achievement Academy activities. Failure to participate in self-sufficiency activities will result in the loss of the hardship. In deciding whether to approve or deny the hardship, SDHC has discretion to consider all of the circumstances in each case.

An Administrative Review or Informal Hearing is not required when the discretionary decision to terminate the comprehensive hardship due to the family's non-compliance or expiration of the hardship is made by SDHC. The decision to terminate the hardship for non-compliance will be made on a case-by-case basis and will consider extenuating circumstances and the family's ongoing level of engagement. The decision is final and not reviewable.

4. Hardship for Zero Income Families

Families with zero income will receive a temporary hardship from the minimum rents if the family agrees to participate in Achievement Academy self-sufficiency activities. The rent portion will be set to zero dollars for a maximum of six months, after which the rent portion will default to the minimum rent. Families will be required to sign a document of consent to participate in required self-sufficiency activities and work with the Achievement Academy. Failure to participate in self-sufficiency activities will result in a loss of the hardship. At the expiration of the temporary hardship, families may apply for the comprehensive hardship policy as described in Section 3.

An Administrative Review or Informal Hearing is not required when the discretionary decision to terminate the zero income hardship, due to the family's non-compliance or expiration of the hardship, is made by SDHC. The decision to terminate the hardship for non-compliance will be made

on a case-by-case basis and will consider extenuating circumstances and the family's ongoing level of engagement. The decision is final and not reviewable.

C. MINIMUM INCOME

There is no minimum income requirement. Families who report zero income will be required to submit supporting documentation and report any increase of income in writing within ten (10) days for the purpose of an interim adjustment in their share of the rent.

If SDHC is subsidizing a family's entire Contract Rent despite the family's income, the family will be required to report any increase of income in writing within ten (10) days for the purpose of an interim adjustment in the share of the rent.

D. REIMBURSEMENT POLICY WHEN HOUSING COMMISSION ERROR

For every change in the rent, SDHC will provide the participant with an updated rent portion letter. The letter will give information regarding the method for calculating the rent and it will allow 30 calendar days to dispute the calculation.

Once the SDHC becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error. Families will not be required to repay SDHC in instances where SDHC miscalculated income resulting in a family being undercharged for rent. Once SDHC becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.

SDHC will take corrective action to credit or repay a family if the family was overcharged tenant rent, including de minimis errors, in the income determination. SDHC will send a rent portion letter to the family and the landlord prior to the change in payments notifying them of the change and the duration of the change.

The overpaid amount will be paid through a HAP adjustment to the landlord, with instructions to the Landlord to credit the amount toward the tenant's rent portion until the entire amount is credited to the family. If the participant has vacated the unit, the credit will be mailed or provided to the family.

E. PATH TO SUCCESS RENT CALCULATION

1. Elderly/Disabled Families

The family's rent portion for elderly/disabled families will be calculated at 28.5% of the adjusted monthly income. As applicable, the utility allowance, childcare allowance, and streamlined medical expense allowances will be applied to the rent calculation. The minimum rent for elderly/disabled families is zero dollars. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the rent portion.

2. Work-Able Families

The family's rent portion for work-able families will be calculated at 30% of the adjusted monthly income and will be subject to tiers. The lower level of the tier will be used to calculate the tenant rent portion. The family will be subject to minimum rents as described in Section 3. As applicable, the utility allowance, childcare allowance and streamlined medical expense allowances will be applied to the rent calculation. If a family is paying a premium because the contract rent plus the utility allowance exceeds the payment standard, the premium will be added to the rent portion.

*The tenant portion will be the higher of the minimum rent or the calculation based on the tiered rent table.

F. RENT CALCULATION CHANGES DUE TO CHANGE IN FAMILY STRUCTURE

If a household composition change (from work able to elderly/disabled or vice versa) results in a change in the rent calculation used to determine the family's rent portion, the applicable policies will apply at the effective date of the family initiated certification or regularly scheduled recertification.

G. PRO-RATED RENT CALCULATION AT INITIAL LEASE-UP

SDHC will use the number of total days in the effective month of the client's move to calculate the pro-rated HAP for initial lease-ups.

RESERVED

A. INTRODUCTION

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

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

B. DETERMINING FAMILY SUBSIDY STANDARDS (VOUCHER SIZE) [24 CFR 982.402]

1. Initial Issuance and Decreases in Household Composition

SDHC does not determine who shares a bedroom/sleeping room.

All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements. The subsidy standards for voucher size shall be applied in a manner consistent with fair housing guidelines.

SDHC may make the administrative decision to change its subsidy standards at any time, without prior notice to its participants, should the circumstances warrant it, such as in the case of funding reductions.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented, except when there is a Subsidy Standard change. Subsidy Standard changes will be implemented at the next recertification or move, whichever occurs first. For Housing Choice Voucher households, subsidy standard changes will be implemented three (3) months after the effective date of the certification for the change in family size, or with the next recertification or move; whichever occurs first. For purposes of reasonable accommodation, the subsidy standard may change prior to the next recertification or move.

The guidelines below will be used to determine initial eligibility and decreases in household size.

SDHC must approve all members of the family residing in the unit.

One bedroom will be assigned to each two household members, regardless of sex, age or relationship. When funding is available, one bedroom will be assigned for the head of household and/or spouse or co-head, and one bedroom awarded to each two family members, regardless of sex, age or relationship.

Exceptions to these standards may be made in accordance with state and federal law to accommodate a disability. When a disabled family member requires and qualifies for their own bedroom as a reasonable accommodation, the remaining household members will be assigned one bedroom for each two household members regardless of sex, age or relationship.

Live-in aides must be approved by SDHC prior to moving into the assisted unit. To receive approval, live-in aides must perform vital assistance that cannot be provided in any other way to an elderly household member or a household member with disabilities. An additional bedroom will be assigned for the live-in aide. A change in Voucher size occurs after the Live in Aide has been approved. The live-in aide's family members may reside in the unit as long as the unit is not over-crowded.

Foster children will be included in determining voucher size only if verification completed by a social service agency confirms that they will be in the unit for at least six months. If a Foster child (children) is temporarily (less than six months) placed in the unit the Voucher size will not increase.

Space will not be provided for a family member, other than a spouse/co-head, who will be absent more than 50% of the time (more than 183 days), such as a member absent due to military service or a student who does not live at home during the school year.

Bedroom sizes are based on available funding. For initial issuance only, a single pregnant woman with no other members must be treated as a two-person family.

Note: If the Voucher size is being decreased due to a household member no longer qualifying for an extra bedroom as a reasonable accommodation, the Voucher will revert back to previous size.

CHART 1: INITIAL VOUCHER SIZE ISSUANCE CHART

VOUCHER SIZE	PERSONS IN HOUSEHOLD	
	Minimum	Maximum
SRO	**1**	**1**
0 Bedroom	**1**	2
1 Bedroom	**1**	**2**
2 Bedroom	**2**	**4**
3 Bedroom	**4**	**6**
4 Bedroom	**6**	**8**
5 Bedroom	**8**	**10**
6 Bedroom	**10**	**12**

2. Changes for Applicants

The voucher size is determined before the briefing by comparing the family composition to SDHC subsidy standards. If an applicant requires a change in the voucher size after they have attended the briefing and received their voucher, the Voucher Size Issuance for Increases guidelines below will be applied.

3. Housing Commission Error

If SDHC assigns an incorrect bedroom size, the family will be reissued the correct size voucher at the time of discovery.

4. Occupancy Standards

The family must obtain prior approval from the landlord and SDHC, for additional family members, before any new adult member occupies the unit. Prior approval is not required for additions by birth, adoption, or court-awarded custody; however, the family must inform SDHC in writing within ten (10) calendar days. Requests by the family to add additional family members, other than by marriage or minors through birth, adoption, marriage or court-awarded custody, will be approved if they do not require an increased voucher size.

The guidelines below on Chart 2 will be used to determine the maximum number of people that can be added to a household without increasing the voucher size. In addition, Chart 2 will be utilized when the number of household members who have been added to the family, due to additions by birth, adoption, marriage or court-awarded custody, exceeds the maximum number allowed for their voucher size. In these instances, the family will be assigned a larger voucher size based on the voucher size issuance standards on Chart 2.

CHART 2: VOUCHER SIZE ISSUANCE FOR INCREASES

VOUCHER SIZE	MAXIMUM NUMBER IN HOUSEHOLD
SRO	**1**
0 Bedroom	**2**
1 Bedroom	**4**
2 Bedroom	**6**
3 Bedroom	**8**
4 Bedroom	**10**
5 Bedroom	**12**
6 Bedroom	**14**

Note: The participant will decide how to best use the assigned voucher size to meet their housing needs.

C. EXCEPTIONS TO SUBSIDY STANDARDS [24 CFR 982.402(a) & (b)]

SDHC may grant exceptions to the subsidy standards, upon request, in order to accommodate a legally recognizable disability. Exceptions to the subsidy standards shall be made in accordance with state and federal law. When an exception is granted as a reasonable accommodation for a disabled family member of an applicant or participant household, the remaining household members will be assigned one bedroom for each two household members regardless of sex, age or relationship.

The disability must meet the HUD definition of disability that requires a reasonable accommodation.

1. Request for Exceptions to Subsidy Standards

The family may request a larger size voucher than indicated by SDHC's subsidy standards as a reasonable accommodation for a family member with disabilities. The family's request for a larger voucher size must be in writing. In addition, the request must fully describe how the additional bedroom will allow the person with disabilities better access to the program and why there is no other reasonable alternative solution. The additional bedroom requested must be to accommodate the person with disabilities, not the family member without disabilities. Documentation from a health care professional verifying the need or justification will be required by SDHC.

A licensed doctor or other health care professional with expertise related to the condition of the client, such as a nurse, psychiatrist, psychologist, or a social service professional must provide a certification of the need for additional bedrooms as a reasonable accommodation for a family member with disabilities. The health care professional must explain why the extra bedroom is necessary to provide a reasonable accommodation for the disabled family member. SDHC will only require information necessary to determine the need for an additional bedroom and not to determine the nature of the disability.

D. UNIT SIZE SELECTED [24 CFR 982.402(c)]

The family may select a different size unit than the size listed on the Voucher. The payment standard will be the smaller of the voucher size or the actual unit size. In either case, the unit must meet the HUD affordability standard that specifies that the family cannot pay more than 50% of their monthly adjusted income for their share of the rent.

In addition, the maximum number of people who can reside in a unit is based on the Housing Quality Standards. The standards allow two persons per living/sleeping room and permit maximum occupancy levels (a living room as a living/sleeping area). The levels may be exceeded if a room in addition to bedrooms and living room qualifies as a living/sleeping room, e.g. den, family room, etc.

E. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d) (2)]

When funding is available, SDHC will issue vouchers to applicants who have been determined eligible. The number of vouchers issued must ensure that SDHC stays as close as possible to 100% lease-up. SDHC determines on a monthly basis whether applications can be processed and the number of vouchers that can be issued.

F. BRIEFINGS AND REQUIRED ATTENDANCE [24 CFR 982.301]

1. Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups or individual meetings and will be in English, Spanish and Vietnamese. Briefings may be conducted telephonically, via video-teleconferencing, or through other virtual platforms.

The purpose of the briefing is to explain to the family how the program works and to go over the information and documents in the briefing packet. This will enable them to use the program to their advantage, and it will prepare them to discuss it with potential landlords and property managers.

SDHC will not issue a voucher to a family unless the head of household has attended a briefing and signed the voucher. Scheduled applicants who provide prior notice of inability to attend a briefing will be rescheduled. Applicants who fail to attend two scheduled briefings, without good cause, may be denied admission based on failure to supply information needed for certification. If required to accommodate a person with a disability, SDHC will conduct individual briefings for families with a disability.

2. Participant Briefing

A Participant Briefing will be required for families who have ported into SDHC's jurisdiction; received a change to the Head of Household member; families referred by SDHC's Program Integrity Unit due to program violations; and other families determined necessary by SDHC. The Head of Household member will be required to attend the briefing.

The purpose of the briefing is to explain to the family how the housing choice voucher program works; the family's rights and responsibilities; and discuss enrichment programs offered through SDHC's Achievement Academy. This briefing will equip families to fully access and utilize the program.

Failure to attend the briefing will be subject to the missed appointment policy.

G. MOBILITY COUNSELING SERVICES FOR NEW ADMISSIONS

At the briefing, families will be provided with information on how they may obtain a listing of available units in the community and about services available through the Mobility Counseling Program. The

Mobility Counseling Program provides information to families about employment services, schools, and transportation for various communities.

The assistance provided to families includes:

Direct communication with landlords.

Pre and post move counseling.

Housing search assistance.

Promotion of Rental Assistance Programs to neighborhood groups, landlord and property management groups, and social service agencies.

H. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

SDHC will give clients a copy of HUD Housing Discrimination Complaint Form 903 to file a complaint.

I. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (2)]

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

1. **Issuance at Admission and Move**

   The initial term of the voucher will be for a minimum of 60 days and maximum of 120 days and is based on available funding and the rental housing market at the time.

2. **Extensions**

A family may submit a written request for an extension of the voucher period. All requests for extensions must be received before the expiration date of the voucher.

Extensions may be granted for a minimum of an additional 30-day period or a maximum of a 120-day period for the following reasons:

When there are extenuating circumstances such as hospitalization or a family emergency for an extended period of time, which affects the family's ability to find a unit within the initial period (verification is required).

When the family has evidence that they have made an effort to locate a unit and communicated with SDHC during the initial term of the voucher with regard to their inability to locate a unit.

Families may meet these criteria by completing the Request for Extension form, and may be requested to provide a minimum of three addresses where they searched for housing.

When the family meets the "Hard to House" criteria.

When the family needs additional time to port to another jurisdiction.

The voucher extension will be based on the availability of funding. If there is not sufficient funding to extend the voucher, the family will not be granted an extension.

3. Reasonable Accommodation to Accommodate a Person with a Disability

If the family needs and requests an extension of the initial voucher term as a reasonable accommodation to make the program accessible to a family member who is a person with a disability, and the family has already been given 300 days, SDHC may grant an extension to the voucher. The family must submit a completed Reasonable Accommodation Request Form. Subsequent extension requests will be reviewed on a case-by-case basis.

4. Suspensions

If a Request for Tenancy Approval (RFTA) is received, the term of the Voucher will be suspended as of the day it was received. If the RFTA is not approved, SDHC will add the number of days that were required to process the RFTA to the term of the voucher.

5. Expirations

The voucher is valid for a period of at least 60 calendar days from the date of initial issuance. The family must submit a Request for Tenancy Approval and Lease within the initial term of the voucher unless an extension has been granted by SDHC.

If the voucher has expired, the applicant family will be denied assistance. The family will not be entitled to a review or hearing. If the participant family is currently assisted, and the voucher expires, assistance will continue as long as the family and the unit remain eligible.

J. VOUCHER ISSUANCE FOR SPLIT HOUSEHOLDS [24 CFR 982.315]

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, SDHC will be bound by the court's determination as to which family members will receive the rental assistance.

In the absence of a court decision or mutual agreement by the family members, SDHC will have the final authority to determine which family members would be best served by continued assistance of housing benefits. SDHC will consider the following factors to determine which of the family members will continue to be assisted:

Which of the two new family units has custody of the dependent child(ren).

Which family member was the head of household when the voucher was initially issued.

The composition of the two new family units, and whether they include elderly or disabled members.

Whether domestic violence was involved.

Recommendations of reliable, knowledgeable third-party professionals.

Upon request of SDHC, documentation of these factors will be the responsibility of the requesting parties. If documentation is not provided, SDHC will terminate assistance based on failure to provide necessary information for a recertification.

K. SECURITY DEPOSIT LOAN PROGAM

SDHC may, upon funding availability, offer a Security Deposit Loan Program to HCV families under an established hardship policy for designated as Elderly/Disabled household and whose homes were recently deemed uninhabitable due to unforeseen circumstances or situations beyond the families' control. Once approved for the hardship, the family may apply for a loan from SDHC for an amount not to exceed the Security Deposit required by the landlord or the maximum amount set by SDHC. SDHC may offer a Security Deposit loan based on the lowest amount between the approved contract rent, applicable payment standard, or requested Security Deposit amount. If the requested Security Deposit exceeds the approved amount, it is the landlord's responsibility to collect the difference from the tenant. There are limits on how much landlords can charge for Security Deposits, depending on whether the property is furnished or unfurnished. Landlords must abide by any local, state or federal security deposit ordinances or laws.

The Security Deposit Loan Program is contingent on continued funding levels from HUD and will only be offered based on funding availability.

If the family defaults on the Promissory Note with SDHC, the family's file can be referred to the Program Integrity Unit.

L. CHANGES IN PAYMENT STANDARDS [24 CFR 982.505(3), 24 CFR 982.505(4)]

1. Increase in Payment Standards

When there is an increase in the payment standards for any bedroom size, the change will be made effective at the next scheduled full recertification, rent increase certification, interim certification, or move, whichever comes first.

2. Decreases in Payment Standards

When there is a decrease in the payment standards for any bedroom size, the change will be made effective with the next move or next scheduled full re-examination following a twelve-month notification, whichever comes first.

RSERVED

A. INTRODUCTION

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

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

B. AFFORDABILITY CAP ON FAMILY SHARE

Families will be allowed to pay up to 50% of their adjusted income toward their rent portion.

All other policies described in this chapter will apply to Housing Choice Voucher clients.

C. REQUEST FOR TENANCY APPROVAL **[24 CFR 982.54(d)(8), 982.161, 982.302, 982.305(b), 982.306, 982.308(e)]**

The Request for Tenancy Approval (RFTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family or prospective landlord during the term of the voucher. The family must submit the RFTA in the form and manner required by SDHC. Both the landlord and voucher holder must sign the RFTA.

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

SDHC will only accept one RFTA per rental unit at a time.

SDHC will review the proposed lease and the RFTA documents for approval.

The request will be approved if:

The unit is an eligible type of housing.

The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).

The rent has been determined to be reasonable based on the current fair market rents.

The proposed lease complies with HUD and SDHC requirements (See "Lease Review" section below).

The landlord is approved and there are no conflicts of interest. If the landlord is new to the Housing Choice Voucher program, a completed W-9 Request for Taxpayer Identification Number and Certification must be submitted with the RFTA. SDHC will verify that the legal owner of record reported on the RFTA matches the tax records. If there is a discrepancy, verification of ownership status is required or the landlord may demonstrate adequate legal site control of the proposed rental property prior to lease approval.

The landlord shall provide information for direct deposit of HAP prior to contract execution.

In addition to the above, when a family initially receives assistance (new admissions and moves), the family's share of rent may not exceed 50% of the family's monthly-adjusted income, with the exception of certain programs. Families subject to the Path to Success minimum rent and households with ineligible household members may not be approved for a unit where the gross rent exceeds the payment standard.

1. Disapproval of the Request for Tenancy Approval

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

If for any reason, a RFTA is not approved, SDHC will furnish another RFTA form to the family upon their verbal request, so that the family may continue to search for eligible housing.

D. ELIGIBLE TYPES OF HOUSING [24 CFR 982.352, 982.601(a)]

SDHC will approve any of the following types of housing in the voucher program:

All residential structure types.

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

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

Single Room Occupancy.

Homeownership is not allowable under the program unless the home was purchased through the Home of Your Own program..

SDHC may not permit a voucher holder to lease a unit that is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.

E. LEASE REVIEW [24 CFR 982.305(b), 982.308]

The tenant must have legal capacity to enter into a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA. It is required that the family and/or landlord submit the standard lease used by the landlord for other unassisted

tenants on the premises. The initial term of the lease must be for a minimum of six months, unless SDHC determines that a shorter initial term would improve housing opportunities for the tenant, or if it adheres to prevailing local rental market practices. The terms and conditions of the lease must be consistent with local, state, and Federal regulation and fair housing laws. The lease must specify what utilities and appliances are to be supplied by the landlord, and what utilities and appliances are to be supplied by the family. The HUD prescribed tenancy addendum must be included in the lease word-for-word.

House Rules of the landlord may be attached to the lease as an addendum as long as they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

1. Actions before the Lease Term

All of the following must be completed before the beginning of the initial term of the lease for a unit:

SDHC has determined the rent does not exceed more than 50% of the family's monthly-adjusted income. For families subject to the Path to Success minimum rent and households with ineligible household members, the gross rent may not exceed the payment standard.

SDHC has determined that the unit satisfies the HQS.

The landlord and the tenant have executed the lease, including the HUD-prescribed tenancy addendum, and provided a copy to the Housing Commission.

SDHC has approved leasing of the unit in accordance with program requirements.

SDHC has determined that the rent charged by the landlord is reasonable.

SDHC has verified legal owner of record reported on the Certification of Legal Ownership of Property and has approved the landlord.

F. SEPARATE AGREEMENTS [24 CFR 982.404(b)(2)]

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

The family is not liable under the lease for unpaid charges for items covered by separate agreements. Nonpayment of these charges cannot be cause for eviction.

Landlords and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

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

If the family and landlord have come to a written agreement on the amount of allowable charges for a specific item, as long as those charges are reasonable and not a substitute for higher rent, they will be allowed. If the family and landlord have agreed upon a move-in incentive, the term of the lease and Housing Assistance Payments Contract may commence the following month.

G. DISAPPROVAL OF PROPOSED RENT [982.305(a)(4), 982.507]

If the proposed Rent to Owner is not reasonable, or the family share is more than 50% of the family's monthly-adjusted income, SDHC, at the family's request, may negotiate with the landlord to reduce the rent to a reasonable rent.

If SDHC and the landlord have tried and failed to negotiate a revised rent, SDHC will inform the family and the landlord that the lease is disapproved.

H. INFORMATION TO LANDLORDS [24 CFR 982.54(d)(7), 982.307(b)(2)]

Upon written request and authorization for release of information signed by the client, SDHC will provide landlords information in the voucher holder's file regarding the family's tenancy history and verified drug or violent criminal activity.

SDHC does not screen families for unit suitability.

SDHC will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

SDHC will inform landlords that it is the responsibility of the landlord to determine the suitability of prospective tenants. Landlords will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

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

I. CHANGE IN TENANT PAYMENT BEFORE HAP EFFECTIVE DATE

At admission, when the family reports changes in factors that will affect the TTP before the effective date of the HAP contract, the information must be verified before the TTP will be recalculated.

J. ZERO HAP CONTRACT RESTRICTIONS

SDHC shall not enter into a new HAP contract if there will not be a HAP payment made on behalf of the family.

K. CHANGES TO LEASE

After the initial term of the lease, the landlord may offer the tenant a new lease by providing 60 days' notice to SDHC. Landlords shall provide notice to tenants and in compliance with local, state and federal regulations and fair housing laws.

L. CONTRACT EXECUTION AND TIMELY PROCESSING OF PAYMENT

SDHC and the landlord must sign the Housing Assistance Payments Contract within 60 days of the effective date. If the date of the signature by either the landlord or the Housing Commission is missing, the date stamp will be used as the date the contract was executed.

RESERVED

A. INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within SDHC's jurisdiction, or to a unit outside of SDHC's jurisdiction under Portability policies. The regulations also allow SDHC the discretion to develop policies that define any limitations or restrictions on moves. This Chapter defines the policies for moves, both within and outside of SDHC's jurisdiction, and the policies for restriction and limitations on moves.

B. ALLOWABLE MOVES

A family may move to a new unit with continued assistance one time within a twelve-month period if:

The landlord has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the landlord to evict the family (unless assistance to the family will be terminated).

The family has given proper notice of lease termination (and the family has a right to terminate the lease on notice to landlord).

The move has been approved as a reasonable accommodation.

A Housing Manager has approved an exception.

C. RESTRICTIONS ON MOVES [24 CFR 982.314(e), 982.551, 982.552(a) &(c)]

Families will not be permitted to move within SDHC's jurisdiction during the initial term of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period.

SDHC will deny permission to move if there is insufficient funding for continued assistance.

SDHC will deny permission to move if:

SDHC has evidence that the family has violated a Family Obligation.

The family owes SDHC money and is not up to date with their repayment agreement.

The family has moved within the last 12 months.

The family is a zero income household.

The family has been issued a Notice of Intended Action to terminate assistance.

The Housing Manager may make exceptions to these restrictions if there are compelling circumstances for the move.

D. PROCEDURE FOR MOVES [24 CFR 982.302(a), 982.305(a)(5), 982.314]

1. Issuance of Voucher

Subject to the above restrictions on moves, SDHC will issue the family a voucher.

2. Notice Requirements

The family must give the landlord a written notice of intent to vacate and simultaneously give a copy of the written notice to SDHC. The notice given by the family must be at least a 30-day notice, unless extenuating circumstances are present and verified and SDHC waives the 30-day requirement. The rent on the family's new unit will begin no sooner than the day after the expiration of the tenant's notice to vacate.

3. Time of Contract Change [24 CFR 982.311(d)]

A move within the same building or project, or between buildings owned by the same landlord, will be processed as any other move.

In a move, assistance stops at the old unit at the end of the notice provided by the tenant. When the notice is provided by the landlord, assistance stops when the tenant vacates the unit, provided both the unit and the tenant remain eligible for the program. When the landlord issues a notice and the tenant remains in the unit, SDHC will stop the HAP at the end of the landlord's initial notice to the tenant. Landlords shall provide notice to tenants and in compliance with local, state and federal regulations and fair housing laws. SDHC will provide the landlord HAP for the additional period of time the tenant remains in the unit upon receipt of confirmation of the date the tenant moved out. Assistance may start on the new unit the day after the tenant moves out of the old unit. Discrepancies in the move-out date will be resolved by SDHC. The move-out date must be confirmed by both the tenant and the landlord. Exceptions to HAP may be implemented as necessary outlined by HUD guidelines.

E. PORTABILITY

1. Outgoing Portability [24 CFR 982.353, 982.355, 982.552 9(a) &(c)]

Within the limitations of the regulations and this policy, a voucher holder, someone who has been issued a voucher but not yet leased, or participant family who has leased a rental unit using the voucher subsidy ,has the right to receive tenant-based voucher assistance to lease a unit outside SDHC's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a family requests to move outside of SDHC's jurisdiction, the request must specify the area to which the family wants to move.

If there is more than one PHA in the area in which the family has selected a unit, SDHC will select the receiving PHA.

The receiving PHA must comply with HUD regulations in order for SDHC to reimburse the HAP subsidy.

a. Restrictions on Portability

SDHC will not permit families to exercise portability if:

The family is within the initial term of their lease.

The family is in violation of a family obligation.

The family owes money to SDHC.

The family has moved within the last 12 months.

The family's voucher will expire in 30 days or less.

The family resided in the City of San Diego for less than 12 consecutive months at time of eligibility.

Portability move outs for work-able families are only granted if the port creates an employment opportunity, an educational opportunity for adult family members (defined as post-secondary education or other education-related opportunity furthering self-sufficiency), due to a safety reason, or meets a medical/disability need. Exceptions to the policy may be granted on a case-by-case basis if verified with supporting documentation.

Administered port-ins will not be subject to this restriction as they are not an SDHC voucher holder.

b. Compliance

When a receiving PHA is administering a voucher for SDHC, the receiving PHA is to comply with regulatory requirements as prescribed by HUD.

2. Incoming Portability [24 CFR 982.353, 982.355]

a. Absorption or Administration

SDHC will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, SDHC will issue a portable voucher to the family. The term of the voucher will not expire before the expiration date of the initial PHA voucher. The family must submit a RFTA for an eligible unit to SDHC during the term of the initial PHA voucher. SDHC may grant extensions in accordance with this Administrative Plan, and if the initial PHA extends the billing date as needed. However, if the family decides not to lease-up in SDHC's jurisdiction, the family must contact the initial PHA to inform them of the family's return to that jurisdiction. All families who lease-up within SDHC's jurisdiction must attend a Participant Briefing.

When SDHC does not absorb the incoming voucher, the initial PHA's voucher will be administered and SDHC's policies will prevail. The exception will be the policy that prohibits work-able families from porting out. Administered port-ins will be allowed to port out without

restrictions and will be referred back to the initial PHA if the family requests to port to a new receiving PHA.

SDHC will issue a portability voucher according to its own Subsidy Standards. If the family has a change in family composition that would change the voucher size, SDHC will change it to the proper size based on the subsidy standards.

Income and Total Tenant Payment of Incoming Portables

SDHC may perform a full recertification of income when the family ports to SDHC.

If it is determined before lease-up that the family's income will result in a zero subsidy amount in SDHC's jurisdiction, SDHC will not enter into a contract on behalf of the family.

Requests for Tenancy Approval

When the family submits a RFTA, the request will be processed using SDHC's policies. If the family does not submit a RFTA, the initial PHA will be notified within 30 days of the expiration of the voucher, whenever possible.

If the family successfully completes the lease-up process, SDHC will notify the initial PHA within 60 days, and the billing process will commence.

If SDHC denies assistance to the family, SDHC will notify the initial PHA within ten (10) days from the date of denial and the family will be offered a review or hearing.

SDHC will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside SDHC's jurisdiction under continued portability.

Regular Program Functions

SDHC will perform all functions applicable to the tenant-based assistance program, such as:

Biennial recertifications of family income and composition.

Biennial inspection of the unit.

Interim examinations when requested by the family or deemed necessary by SDHC.

Terminations

SDHC will notify the initial PHA in writing of any termination of assistance within ten (10) days of the termination. If eligible for and requested by the family, an Informal Hearing will be conducted by SDHC.

When administering, the Initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the Initial PHA notifies SDHC that the Family is in arrears or the family has refused to sign a Repayment Agreement, SDHC will terminate assistance to the family.

Required Documents

SDHC will require the documents listed on the HUD-52665 Family Portability Information form, Part I from the initial PHA. When administering a portable voucher, SDHC must submit billing documents within the prescribed HUD timelines.

Billing Procedures

When administering incoming portable families, SDHC will bill based on HUD procedures and the HUD- 52665 Family Portability Information form, Part II. SDHC will calculate rental assistance subsidy in accordance to their internal fiscal practice.

SDHC will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify SDHC of any changes in the Administrative Fee amount.

RESERVED

A. INTRODUCTION

In accordance with HUD requirements, SDHC will reexamine the income and household composition of all families. Recertifications and interim recertifications will be processed in a manner that ensures families are given reasonable notice of rent portion increases. All activities will be coordinated in accordance with HUD regulation. It is a HUD requirement that families report all changes in household composition. This Chapter defines SDHC's policy for conducting recertifications and coordinating activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

B. HOUSING CHOICE VOUCHER RECERTIFICATION SCHEDULES

Elderly/Disabled and Work-Able household are subject to the recertification cycle. SDHC will conduct a full recertification of household income and family composition at least every two years for work-able and elderly/disabled households.

A recertification packet will be sent electronically or by US postal service to families at least 90 days in advance of the recertification effective date.

SDHC has established recertification procedures necessary to ensure the household income and composition provided by families are complete and accurate. Families are required to complete the recertification packet as a condition of continued program participation. The Personal Declaration form ensures the income data provided by families is complete and accurate.

SDHC has established procedures to gather information and data necessary to complete the recertification. The procedures require the participation and signatures of all adult family members, 18 years and older, and family members who will turn 18 years of age by the effective date of the recertification. When interviews are scheduled, all adult family members and family members who will turn 18 years of age by the effective date of the recertification must attend. Failure to provide requested information and data and or failure to attend scheduled appointments may result in termination of continued program participation.

SDHC will complete all recertifications by the first of the month prior to the certification effective date. Families will be notified at least 30 days before the scheduled date of any increase to the rent portion.

HUD Form 50058 will be completed and transmitted as required by HUD.

The Rent Portion Letter will be sent electronically or by U.S. postal service to the landlord and the family. Signatures are not required by SDHC. If the family disagrees with the rent adjustment, the family may request an administrative review by following the procedures stated on the Rent Portion letter.

C. REPORTING INTERIM CHANGES FOR ELDERLY & DISABLED

All program participants must report all changes in household composition to SDHC between recertifications in writing within 30 days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim review to determine such additional income and will make the appropriate adjustments in the HAP and family voucher size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

1. **Increases in Income**

Elderly/disabled program participants are not required to report increases in income between biennial recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Family Self-Sufficiency (FSS) program participants may request an interim adjustment through the FSS program coordinator.

2. **Decreases in Income**

Elderly/disabled participants who lose a source of income or have a reduction of income equaling greater than zero percent that will last more than 90 days may be eligible for an interim certification at any time to reduce their portion of the rent, including a review of their health and medical care deductions. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after the last verification is received.

Exceptions:

The family's income will not be reduced for decreases in public assistance income that is the result of a finding of fraud.

D. REPORTING INTERIM CHANGES FOR WORK-ABLE HOUSEHOLDS [24 CFR 982.516]

All program participants must report all changes in household composition to SDHC between recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

1. Increases in Income

Work-Able program participants are not required to report increases in income between recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Family Self-Sufficiency participants may request an interim adjustment through the FSS program coordinator.

SDHC establishes timeframes and processing procedures for gathering complete and accurate information for the recertification. Participants who report other increases of income outside of the established recertification process will be notified no changes will be made to their share of the rent.

2. Decreases in Income

Work-Able program participants may report a decrease in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions and if the loss of income is anticipated to last more than 90 days. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after receipt of all verifications of decrease and any replacement income.

For work-able households, interim adjustments will be limited as follows:

Work-able households may only receive an income decrease interim reducing the rent portion once in a twelve (12) month period.

No reduction based upon loss of job will be processed until SDHC receives documentation of eligibility or ineligibility for unemployment benefits.

Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.

In calculating the reduction, all household income, including previously unreported income, and replacement income will be counted to determine if there is an actual decrease in income since the last completed certification.

The household's loss or reduction of income must be expected to last more than 90 days.

No reduction in tenant rent portion will be made if the decrease in the household's rent portion is less than 21%.

The loss of income must be through no fault of the family. A decrease to the rent portion will not be processed if the family voluntarily terminates an income source.

Note: When an individual family member reports a loss of income, replacement income is any income the family receives. For example, if the family reports the loss of the welfare grant because a family member started a job, then the income from their job is considered replacement income. A decrease in the share of the rent will only occur if the replacement income is less than the amount of income that was lost. The family is eligible for a decrease under the requirements of the interim policy.

3. Interim Hardship Policy

To be considered for a hardship exemption the participant household must demonstrate that the household is experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

After an interim has been denied for a reduction in rent, a family may submit a written request for an interim hardship exemption to the interim rent reduction policy.

A household must meet the following two requirements in order to receive a hardship exemption:

1. The participant household must provide proof the household is unable to continue to pay the current rent share because of a financial hardship, including:

   A death has occurred in the family which eliminates a prior source of income; or

   Other circumstances determined to warrant an exemption by SDHC.

2. The qualifying financial hardship must be long-term (more than 90 days).

   Until the request for a hardship exemption is reviewed and approved by SDHC, the participating household is expected to continue to pay their portion of rent as previously determined by the SDHC.

The family is required to abide by all other requirements of the program and failure to do so is grounds for termination.

If approved, the interim adjustment to the rent portion will be processed effective the first of the month following the hardship approval.

E. FAMILY COMPOSITION CHANGES

The landlord's approval is required prior to adding an adult member(s). SDHC's approval is required to add other family members, foster children, and/or live-in aide prior to moving into the assisted unit.

Staff will verify the income and deductions of the person being added. Criminal history will be verified if the person is 18 years of age or older. Newly approved adult members must attend a Participant Briefing.

If a household member is removed, the head of household's signature on the Personal Declaration or on the Interim Application-Income and Household Changes form will be sufficient verification to certify, under penalty of perjury, that the person has moved from the unit.

If a household member requests to be added back into the household, SDHC allows adults only one return to the household within a twelve-month period.

A person(s) may not be added to the household if this causes the unit to be overcrowded. Note: The voucher size may be increased in accordance with the subsidy standards.

The income of the person(s) removed from the household can be deleted from the record without re-verifying the household income.

1. Exceptions to Policy

The following requests for exceptions to this policy will be considered on a case-by-case basis:

Medical reasons.

Reasonable accommodation to accommodate a person with a disability.

F. TIMELY REPORTING OF HOUSEHOLD COMPOSITION CHANGES [24 CFR 982.516(c)]

1. Reporting Requirements

Participants are required to report family composition changes in writing within 30 days of when the change occurs. Any information, documents or signatures needed from the family, which is needed to verify the change, must be provided when requested.

If the family composition change is not reported within the required time period, or the family fails to provide documentation or signatures, it will be considered untimely reporting. Untimely reporting may result in the family being required to sign a repayment agreement or termination of assistance.

2. When the Change of Family Composition is Reported in a Timely Manner

The effective date of the rent portion changes are as follows:

Increases in the tenant rent due to family changes are effective on the first of the month, after at least 30-day's notice to the family.

Decreases in the tenant rent are effective the first of the month following the month in which verifications are received.

3. When the Change is Not Reported Timely by the Family

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim recertification 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 in a timely manner. The family will be liable for any overpaid HAP and may be required to sign a Repayment Agreement or make a lump sum payment.

Decrease in tenant rent will be effective on the first of the month following the month that the verification is received.

4. When the Change of Family Composition is Not Processed Timely by SDHC

If there is an administrative delay, the following will be the effective date:

An increase will be effective the first of the month following 30-day's notice to the family. In the event of a decrease, the overpayment of rent paid by the family will be calculated retroactively. An adjustment will be paid to the landlord.

G. DECEASED HOUSEHOLD MEMBER

Upon verification of a deceased household member from the EIV Deceased Tenants report or other reliable source, the landlord and participant will be notified of the household member who has been removed from the household and the effective date of the change of household composition. In addition, SDHC will take the following actions:

Single Member Households: The Housing Assistance Payments contract will be terminated and payments stopped effective the last day of the month in which the participant passed away. The landlord will receive the full Housing Assistance Payment amount for the month in which the death occurred and no additional payments

Multiple Person Households – Deceased Household Member: An interim household composition change will be effective the first of the month following receipt of all required paperwork that allows the family 30 days' notice if the rent portion is increasing. If the rent portion remains the same or will decrease, the change will be effective the first of the month following the receipt of all required paperwork.

In cases where there is no spouse, co-head, or domestic partner, SDHC will designate the oldest remaining household member as the Head of Household unless the household provides a written request that another adult household member be designated as the Head of Household. The interim household composition change will be effective the first day of the month after the month in which the participant passed away.

H. VOUCHER SIZE CHANGES – WORK-ABLE & ELDERLY/DISABLED HOUSEHOLDS

Decreases in the voucher size resulting from changes in the household's composition will be effective either three (3) months after the certification effective date that changed the family size, or with the next recertification or move; whichever occurs first.

Increases in the voucher size resulting from changes in the household's composition will be effective the first of the month following receipt of all requested verification.

The household members, as of the date of the notification of change letter, become the official household members of record. For voucher decreases, once the interim is processed and the Notification of Change letter is generated and sent, if the family cancels or rescinds their household composition change request on or after the date of the letter, the voucher size will not be restored to the previous voucher size.

I. NOTIFICATION OF NOMINAL RENT PORTION INCREASES

SDHC will notify program participants at least 30 days in advance of any increases to their share of the rent.

J. DEFINITION OF TEMPORARILY ABSENT [24 CFR 982.54(d)(10), 982.551]

Temporarily absent is defined as being away from the unit 50% or less (183 calendar days or less) of the time.

SDHC must compute all applicable income of every family member who is on the lease, including those who are temporarily absent, including head of household, spouse or co-head.

If the head of household, spouse or co-head 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 as defined by HUD) is counted as income.

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

1. Absence of Any Member

Any member of the household will be considered permanently absent if he/she is away from the unit for more than 50% of the time (more than 183 calendar days), except as otherwise provided in this Chapter.

2. Absence Due to Medical Reasons

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, SDHC will seek advice from a reliable qualified source to the likelihood and timing of the family members return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 183 days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with SDHC's "Absence of Entire Family" policy.

3. Absence Due to Full-time Student Status

Full-time students who attend school away from the home will be treated in the following manner:

A student (other than head of household, spouse, or co-head) 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 full time student is permanently absent, the student will be removed from the household. The income of that student will not be included in total household income, the student will not be included on the lease. The student will not be included for determination of voucher size. If applicable, the voucher size will be decreased effective either three (3) months after the certification effective date that changed the student to permanently absent, or with the next recertification or move; whichever occurs first.

If the temporarily absent student returns to live at home full time, SDHC may restore the prior voucher size. If approved, the voucher size increase will be effective with an interim, recertification or move, whichever comes first.

4. Absence Due to Incarceration

If any member of the household is incarcerated for other than drug related or violent criminal activity and is absent more than 183 calendar days, the household member will be considered permanently absent.

If the household member is incarcerated for drug related or violent criminal activity, SDHC will begin the termination process.

5. Absence of Children Due to Placement in Foster Care

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

If the period is greater than 183 days from the date of removal of the child(ren), the voucher size will be reduced in accordance with SDHC's subsidy standards.

6. 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, SDHC will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

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

Families must notify SDHC in writing if they are going to be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the unit for more than 30 consecutive days without notifying SDHC, the unit will be considered to be vacated and the assistance will be terminated.

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

Mail notification to family's unit address.

Contact the family.

Contact the landlord.

Verify if utilities are in service.

Send Post Office verification.

7. Caretaker for Children

If neither a parent nor an adult household member remains in the household, and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the child(ren) for an indefinite period, SDHC will consider the adult a visitor for the first 183 calendar days. The visitor's income will be included. The visitor will not qualify as a remaining family member and is not entitled to the voucher.

When court-awarded custody or legal guardianship has been awarded, the Voucher will be transferred to the appointed caretaker.

If the appropriate agency cannot confirm the guardianship status by the end of 180-day period, SDHC will review the status at 90-day intervals.

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

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

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

8. Visitors

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without SDHC approval will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address may be considered verification the visitor is an unauthorized member of the household.

Statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof 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 household and SDHC will terminate assistance because prior approval was not requested or granted for the additional household member.

Minors and students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 90 days per year.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered an eligible visitor.

K. DEFINITION OF PERMANENTLY ABSENT

Any member of the household will be considered permanently absent if they are away from the unit more than 50% of the time (more than 183 days) of the time, except as otherwise provided in this Chapter.

L. PROGRAM ABUSE PREVENTION POLICY

1. Decreases at Recertification

If a pattern of regularly reporting a decrease in income during the recertification timeframe is discovered by utilizing UIV (Upfront Income Verification) or other methods for two or more years, it may be considered program abuse. For example, the family member(s) was employed and then became unemployed prior to the recertification, causing a lowered Total Tenant Payment (TTP) and it is discovered that after the effective date of the recertification, the family's income increases. In such cases, SDHC may increase the tenant rent upon an increase in the family's income, or issue a Notice of Intended Action for committing program abuse.

2. Transfer of Voucher/Head of Household Change

In order to maintain the integrity and fairness of the HCV Rental Assistance waiting list, a family will not be allowed to move persons into the home for the sole purpose of transferring the voucher to the newly added members.

The only member to request a change of head of household must be the current head of household.

The adult member (18 years of age or older) being appointed as the new head of household must be part of the household for 12 months or more prior to change.

The new head of household must attend a Participant Briefing.

RESERVED

A. INTRODUCTION

SDHC will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is SDHC's responsibility to ensure that the rents charged by landlords are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This Chapter explains SDHC's procedures for determination of rent-reasonableness, payments to landlords, adjustments to the Payment Standards, and rent adjustments.

B. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

The Rent to Owner is limited by rent reasonableness. SDHC must demonstrate that the Rent to Owner is reasonable in comparison to rent for other comparable unassisted units.

The other limitation on rent to owner is the maximum family share at initial occupancy (24 CFR 982.508). When a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share of rent may not exceed 50% of the family's monthly-adjusted income.

C. MAKING PAYMENTS TO LANDLORDS [24 CFR 982.451]

1. Method of Rent Payment

Housing Assistance Payments to landlords will be paid through direct deposit to the landlord's financial institution.

2. Excess Payments

The total of rent paid by the participant plus SDHC housing assistance payment to the landlord may not be more than the contract rent due to the landlord. The landlord must immediately return any excess payment to SDHC.

Landlords who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to SDHC" chapter of this Administrative Plan.

3. Late Payments to Landlords

SDHC will pay a late fee in accordance with generally accepted local rental market practices and law governing penalties for late payment of rent by a tenant, if requested, for housing assistance payments that are not issued or mailed to the landlord by the tenth day of the month. Proof of date payment is mailed will be the postmark date on the envelope that the landlord shall submit with the request for late fees. If payment is received via direct deposit to the bank account, the date the payment is sent will be the date used when reviewing requests for late fees.

The HAP contract provides for penalties against the PHA for late payments after the first two calendar months of the HAP contract term and will not be paid if the HAP payments are delayed due to a landlord's breach of contract.

SDHC will not be obligated to pay any late payment penalty if HUD determines that the late payment is due to factors beyond SDHC's control, such as a delay in the receipt of program funds from HUD.

Late fees will not be paid for partial payments of less than $100.

4. Re-Issuance of Payments

If a landlord has not received a Housing Assistant Payment (HAP) after (10) ten days from the initial mailing date, they may request a re-issuance. If eligibility for the re-issuance is determined, a "stop payment" will be placed on the original payment and a new check will be re-issued.

NOTE: SDHC will not re-issue payments after seven (7) years of original issuance date. This complies with the agency's Fiscal Retention Policy.

D. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

SDHC will determine and document on a case-by-case basis the approved rent is reasonable in comparison to rent for other comparable unassisted units in the open market.

SDHC will not approve a lease or increase rent until SDHC determines that the landlord's requested rent is reasonable.

SDHC must re-determine rent reasonableness if directed by HUD and based on a need identified by SDHC's auditing system. SDHC may elect to re-determine rent reasonableness at any other time. The rent to owner may not exceed the reasonable rent at any time during the assisted tenancy.

By accepting each monthly housing assistance payment, the landlord certifies that the rent to owner is not more than rent charged by the landlord for comparable unassisted units in the premises.

When requested, the landlord must give SDHC information on rents charged by the landlord for other units in the premises or elsewhere.

1. How Market Data is Collected

The PHA will collect and maintain data on unit information and market rents in the PHA's jurisdiction internally or by utilizing a contractor. Information sources may include newspapers, realtors, appraisers, professional associations, market surveys, landlords, AffordableHousing.com and other available sources. Unit data will include the location, quality, size, type and age of the unit as well as amenities, housing services, maintenance and utilities to be provided by the landlord. Data will be updated on an ongoing basis and rent information that is more than 12 months old will not be used to determine rent reasonableness.

2. How Rent is Determined

At move-ins and for each rent increase request, SDHC uses a unit-to-unit comparison. This compares the rent for the assisted unit to the rents for one or more unassisted units selected as a comparable within the same market area and generally within a two (2) mile radius. MTW flexibilities allow SDHC to use a revised rent reasonableness protocol to determine rent reasonableness for assisted units in SDHC-owned developments. Rent reasonableness for the voucher assisted units will be determined by comparisons to similar units in the surrounding neighborhoods rather than within the development. Maps will be used to identify the unsubsidized units in closest proximity to the subject unit and unit data information will be used to select the most similar units.

In comparing rents, SDHC will take into account critical market factors that impact rent, including, but not limited to, the location, quality, size, unit type and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the landlord in accordance with the lease.

E. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family.

SDHC utilized an MTW initiative to establish a new Payment Standard schedule to calculate the housing assistance payment for participating families. The MTW payment standards are informed by HUD's Small Area Fair Market Rents.

SDHC may approve an exception payment standard for a unit with an adjusted gross rent of not more than 120 percent of the MTW Payment Standard, if required as a reasonable accommodation for a family that includes a person with a disability. If the adjusted gross rent of the unit, for which an exception to the payment standard is requested as a reasonable accommodation, is more than 120 percent of the MTW Payment Standard, the request will be submitted to HUD Field Office for review and approval.

F. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment Standards may be adjusted, based on SDHC MTW flexibility, to increase Housing Assistance Payments to keep families' rents affordable. SDHC may use some or all the measures below in making its determination whether an adjustment should be made to the Payment Standards.

1. Rent Burdens of Assisted Families

If it is determined that unit sizes in SDHC's jurisdiction have payment standard amounts that are creating rent burdens for families, SDHC will modify its payment standards for those particular unit sizes.

SDHC may increase its payment standard within the basic range for those unit sizes to help reduce the percentage of annual income that participant families in SDHC's jurisdiction are paying.

SDHC may establish a separate voucher payment standard, within the basic range, for designated areas if it is determined that a higher payment standard in these areas provides families with quality housing choices.

2. Rent to Owner Increases

SDHC may review a sample of the units to determine how often landlords are increasing rents and the average percent of increase by bedroom size.

3. Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered.

G. PAYMENT IN THE HOUSING CHOICE VOUCHER PROGRAM

Landlords may request a rent increase after the initial term of the lease by submitting the request in writing, with at least a 60-day advance notice to SDHC. Rent increases will be effective the first of the month following the 60th day from the date of the written notice to SDHC or the effective date stated in the written notice, whichever is later. Landlord shall comply with providing tenant proper notice as required by state law as well as all federal and local Fair Housing laws and regulations.

The notice of rent change does not affect the automatic renewal of the lease and does not require a new lease, contract, or executed amendment. If the landlord requires a new lease term, the notice must state the requirement and a copy of the signed lease for the new lease term should be submitted to SDHC upon approval of the rent increase.

RESERVED

A. INTRODUCTION

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based and project-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the unit, building and premises. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP contract.

SDHC will inspect each unit under contract at least biennially. SDHC may perform quality assurance inspections annually to maintain SDHC's required standards and to assure consistency in SDHC's program as required by the MTW Plan. This Chapter describes SDHC's procedures for performing HQS and other types of inspections, and SDHC standards for the timeliness of repairs. It also explains the responsibilities of the landlord and family, and the consequences of non-compliance with HQS requirements for both families and landlords. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and SDHC requirements. (See the additions to HQS listed under "Acceptability Criteria and Exceptions to HQS" later in this chapter.)

B. MANDATORY INSPECTIONS [24 CFR 982.401(a), 982.405]

SDHC has adopted the HUD mandated HQS Regulations.

All utilities must be in service by the effective date of the HAP contract. Landlord supplied utilities must be on at the time of the inspection. For participant responsible utilities, if they are not in service at the time of inspection, the Inspector will mark the inspection "Inconclusive" and provide an Inconclusive Form for the participant and landlord to complete and sign certifying when the utilities were turned on.

SDHC may conduct a Quality Control (QC) inspection to determine if appliances and fixtures, not tested due to the issuance of an inconclusive form, are functioning in accordance with Housing Quality Standards and SDHC policy.

If the participant is responsible for supplying the stove and/or the refrigerator, SDHC will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS. The family must then certify that the appliances are in the unit and working. SDHC will not conduct a re-inspection to verify this.

Alternative Inspection Methods will be used if required in times of emergent situations, as ordered by Federal, State, or Local government and approved by HUD.

SDHC will perform seven (7) types of inspections:

1. **Initial/Move-in**: Conducted upon receipt of Request for Tenancy Approval (RFTA).
2. **Annual**: Must be conducted within 12 months of the last annual inspection.
3. **Biennial**: Must be conducted within 24 months of the last biennial inspection.
4. **Move-Out**: For Moderate Rehabilitation contracts when landlord files a Damage Claim.
5. **Special/Emergency**: At request of landlord, family or third party.

6. **Quality Control**: As determined by SDHC.
7. **Quality Assurance**: Conducted on biennial units selected at random in the skip year.

C. MTW: INSPECTIONS AND RENT REASONABLENESS FOR HOUSING COMMISSION OWNED PROPERTIES

SDHC may utilize staff to perform the required Housing Quality Standards inspections for SDHC owned property. These inspections will be conducted in conformance with the Housing Quality Standard criteria, and will include a system of random quality assurance inspections to ensure compliance.

As vacancies occur within SDHC-owned properties, the Rental Assistance Division will conduct rent reasonableness determinations using the standard currently used to perform all other HCV rent reasonableness determinations.

SDHC may utilize MTW flexibility granted in the Fiscal Year 2011 MTW Plan to charge rents for unassisted units below the "reasonable rent" charged for voucher-assisted units in SDHC-owned developments.

D. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

1. Timely Initial HQS Inspection

To the extent practicable, the inspection will be completed within 15 days after the family and the landlord submit a RFTA.

The Initial Inspection will be conducted to:

Determine if the unit and property meet the HQS defined in this Plan.

Document the current condition of the unit.

Document the information used for determination of rent-reasonableness.

Document those items that may be considered tenant preference as permissible by HUD regulations.

If the unit fails the initial HQS inspection, the family and landlord will be advised to notify SDHC once repairs are completed.

If two failed re-inspections occur, the unit will be disqualified.

2. Pre-inspection of Vacant Units

Landlords can request SDHC to pre-inspect vacant rental units they will consider renting to participants in Section 8 HCV Program.

The unit must be vacant, or occupied by a tenant who has been notified that they will be receiving a new Section 8 Housing Choice Voucher.

Pre-inspections are valid for 90 days from the date the unit passed inspection.

No occupant may reside in the unit between the date the unit passes the pre-inspection and when a Voucher recipient moves in unless the occupant has begun the eligibility process to receive HCV assistance.

All owner-provided utilities and appliances must be in place and operational at the time of the pre-inspection.

E. HQS INSPECTIONS

All units will be subject to an HQS inspection on a biennial basis with the exception of limited Special Programs units, which can require annual inspections. Units will be subject to random quality assurance inspections to ensure they are maintained to minimum Housing Quality Standards. At the discretion of SDHC, landlords that do not maintain units within minimum HQS standards may be reverted to an annual inspection cycle.

Special or Emergency inspections may be scheduled between inspection dates.

The landlord must correct HQS deficiencies that cause a unit to fail unless the participant is responsible.

The family must allow SDHC to inspect the unit at reasonable times with reasonable notice.

The family and landlord are notified of the date and timeframe of the inspection appointment by mail, phone and/or email. If the family misses/cancels three inspection appointments, SDHC will consider the family in violation of a Family Obligation and the family's assistance may be terminated in accordance with this Plan.

Participants will retain the right to request special inspections at any time in accordance with the Special Inspection policy.

1. Time Standards for Repairs

Emergency Inspections

The landlord and/or participant must correct emergency items that endanger the family's health or safety within 24 hours of notification. (See Emergency Repair Items section).

Special Inspections

For non-emergency items, repairs must be completed within 30 days.

For major repairs, SDHC may approve an extension beyond 30 days on a case-by-case basis.

F. EMERGENCY REPAIR ITEMS [24 CFR 982.401, 24 CFR 982.404]

The following are considered emergency repair items and must be corrected by the responsible party within 24 hours of notice by SDHC:

Units that cannot be secured.

Waterlogged ceiling in imminent danger of falling.

Major plumbing leaks or flooding.

Natural gas leak or fumes.

Electrical problem that could result in shock or fire.

Fire damage.

No heat when outside temperature is below 65 degrees Fahrenheit and temperature inside unit is below 65 degrees Fahrenheit.

Utilities not in service.

No running water.

Lack of one functioning toilet.

Lack of a functioning stove, microwave or other means of cooking food.

Lack of one functioning smoke alarm on each level of the unit.

Carbon Monoxide detector missing or not working as it should.

If the emergency repair item(s) is not corrected in the timeframe required by SDHC, and the landlord is responsible, the Housing Assistance Payment will be abated and the HAP contract will be terminated.

If the family does not correct a HQS breach for which they are responsible, within the timeframe required by SDHC, the family will be referred to the Program Integrity Unit for action to terminate assistance to the family.

G. SPECIAL INSPECTIONS [24 CFR 982.405(c)]

If at any time SDHC is notified that the unit does not meet HQS, SDHC will conduct an inspection.

Prior to requesting a special HQS inspection, except in cases of an emergency inspection, the family must provide verification to SDHC to show they have made prior requests to the landlord to resolve the issue and the landlord has failed to do so.

SDHC will inspect the items reported, but if the Inspector observes additional deficiencies while conducting the special inspection that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs. If the biennial inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled, SDHC may conduct a full biennial inspection.

If a unit is reported to be infested by bed bugs, the landlord and the family will be sent notices that the deficiency caused the unit to fail HQS. The landlord will be responsible for meeting HQS criteria. SDHC will not conduct an inspection until a certificate of clearance is provided. The landlord may be allowed a maximum of 60 days to complete the process. Failure to provide clearance will result in abatement of the Housing Assistance Payment and can result in termination of the Housing Assistance Payments Contract.

1. UNITS DETERMINED TO BE UNINHABITABLE

For units determined to be uninhabitable for landlord responsible items, if the landlord is providing and/or paying for the tenant to be temporarily housed, the housing assistance will continue if the repairs are expected to be completed within six months and the tenant intends to return to the unit. If the tenant is not being provided temporary housing by the landlord, the housing assistance payment will be abated as of the date the inspection was conducted to confirm the unit was uninhabitable. If the landlord stops providing and/or paying for the tenant to be temporarily housed while the repairs are being made, the payment to the landlord will be abated as of the date the landlord is no longer providing and/or paying for the temporary housing

The tenant will be provided the opportunity to look for stable housing as permitted per the program through which they are receiving rental assistance.

The file will be monitored for contract termination at the end of the month in which 60 days have lapsed since the date the unit was inspected and confirmed to be uninhabitable.

H. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

Designated staff will perform ongoing Quality Control and Quality Assurance inspections. SDHC deploys a quality assurance approach for inspections to ensure the integrity of assisted properties remains consistent with HUD requirements. SDHC inspects contract units in accordance with HUD-established housing quality standards.

Quality Assurance Inspections conducted in the skip year of selected units will be considered a biennial inspection, which will allow SDHC to reset the biennial inspection cycle.

I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS [24 CFR 982.401 (a)]

SDHC applies the HUD acceptability criteria with the additions described below:

No graffiti is allowed on the exterior of the rental unit/rental complex, sidewalks, and/or fences.

No excessive chipping and peeling paint. Excessive defined as more than 15% of the wall or a component (windowsill, window frame, doorframe, etc.) with deteriorated paint.

Soiled floor coverings that are serious health hazards (e.g. mildewed, severely soiled with food, animal or human urine/feces, etc.).

The water heater must have a discharge line the same diameter as the pressure relief valve and must be hard copper, galvanized steel, or CPVC pipe marked "4120 100 PSI". The discharge line must be directed downwards terminating 2 to 6 inches from the floor or receptacle, such as hot water pan, or to the outside, reaching 6 – 24 inches from the ground.

A bedroom must have a floor area of no less than seventy (70) square feet (the closet space may be counted).

No simple bolt, barrel, or hasp locks are allowed on the outside of interior doors, preventing exit from a room.

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Upon NSPIRE implementation, a microwave oven in the place of a landlord or participant supplied oven and stove will be allowed if there is no evidence of stove being in unit previously. A microwave oven will be considered passed if the microwave is in a safe and working condition.

The street number must be present and visible from the street.

The landlord may not access any portion of the assisted unit for their personal use.

A garage attached to the unit with access to the assisted unit is part of the assisted unit.

All exterior doors must be lockable, have no holes, have all trim intact, and have a threshold.

Bedroom and bathroom doors may not have a double cylinder deadbolt.

If window security bars or security screens are present on emergency exit window, they must be equipped with a fluid motion quick release system. The landlord is responsible for ensuring that the family is instructed on the use of the quick release system.

1. **Modifications**

   Modifications or adaptations to a unit must meet all applicable HQS and be permitted by the City of San Diego. The landlord may be required to provide copies of permits when requested.

J. SELF-CERTIFICATION OF REPAIRS

Upon NSPIRE implementation, landlords and participants will be permitted to self-certify the repair of HQS fail items on all inspection types, including Initial Inspections. The landlord and/or participant can also choose not to self-certify the repair and have the unit re-inspected.

K. CONSEQUENCES IF LANDLORD IS RESPONSIBLE [24 CFR 982.404(a), 982.405, 982.453]

When it has been determined that a unit on the program fails to meet HQS for non-emergency items, and the landlord is responsible for completing the necessary repair(s) in the time period specified by SDHC, the assistance payment to the landlord will be abated to the end of the abatement month.

1. Abatement

A Notice of Abatement will be sent to the landlord, and the abatement will be effective the first day of the month after the unit has been in a failed status for 30 days. If the unit passes inspection prior to the end of the month, the HAP will not be abated.

SDHC will inspect abated units as soon as possible after the landlord's notification that the work has been completed. If a landlord calls prior to the end of the abatement month to schedule a re-inspection, because the repairs have been made, and a re-inspection cannot be made prior to the end of the month, SDHC may pay the full HAP for the month if the unit passes inspection.

If the landlord makes repairs during the abatement period, payment will resume on the day SDHC is notified of the completion of the repairs as long as the unit passes inspection on the scheduled inspection date.

If the unit is in abatement status, only the landlord or manager may cancel or reschedule the inspection. The family and landlord will be notified of the re-inspection date.

No retroactive payments will be made to the landlord for the period of time the rent was abated and the unit did not comply with HQS. The Housing Assistance Payment Contract (HAPC) advises the landlord that the participant is not responsible for SDHC's portion of the rent while the HAPC is in effect. If the landlord disputes the abatement, SDHC will review the issue to determine if the abatement dates remain in effect or could be adjusted.

2. Reduction of Payments

SDHC may grant an extension of the abatement date in the following cases:

There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.

The landlord makes a good faith effort to make the repairs.

The repairs are expensive (such as exterior painting or roof repair) and the landlord needs time to obtain the funds.

The repairs must be delayed due to climate conditions.

The landlord may be required to provide documentation to support his request for an extension (i.e., invoice, work order, estimate of repair costs, etc.). The extension will be made for a period not to exceed 30 days, or at the discretion of SDHC. Once the extension period has lapsed, if the work is not completed, SDHC will begin the abatement.

3. Termination of Contract

If the landlord is responsible for repairs and fails to correct all the deficiencies cited before the end of the abatement period, the HAP Contract will terminate at the end of the abatement month.

Both the landlord and the family are notified of the contract termination date on the Abatement Notice that is provided by the Inspection department. If the repairs are completed before the effective termination date and the unit passes inspection, the assistance on the unit will continue. If the repairs are completed after the HAP Contract has already been terminated, a re-inspection will be required. If a re-inspection is conducted and the unit passes, the contract termination notice will be withdrawn and the abatement ended as of the date the unit is considered in pass status.

4. Lead Based Paint (LBP)

HUD requires that the unit fail inspection under the Lead-Based Paint guidelines when there is deteriorated paint and the unit was built prior to 1978, is occupied by a child under the age of six and has not been certified lead-based paint free. Deteriorated paint includes any painted surface that is peeling, chipping, chalking, damaged or otherwise separated from the painted surface.

SDHC will notify the landlord corrections must be made utilizing Lead Safe Work Practices by an EPA Certified Renovator. A copy of the clearance test must be provided to SDHC within the required timeframe.

For units currently unassisted, the deteriorated paint and clearance must be completed before SDHC can enter a contract.

On currently assisted units, the repairs/corrections and clearance must be completed within 30 days of the visual inspection. Extensions of the time required to meet these requirements may be granted for reasonable cause. Per HUD regulations, the extension cannot extend beyond 90 days after the date of notification to the landlord of the results of the visual inspection.

The HAP contract will be terminated if the timeframes are not met.

L. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404]

Certain HQS deficiencies are the responsibility of the family:

Participant-paid utilities that are not in service.

Failure to provide or maintain participant-supplied appliances.

Damage to the unit or premises beyond normal wear and tear caused by a household member or guest.

Note: “Beyond normal wear and tear" is defined as items that could be charged against the participant's security deposit under state law or court practice.

The landlord is responsible for all other HQS violations.

The inspector will determine landlord and/or family responsibility during the inspection.

M. CONSEQUENCES IF FAMILY IS RESPONSIBLE [24 CFR 982.404(b)]

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, SDHC will require the family make any repair(s) or corrections within 30 days. If the repair(s) or correction(s) are not made within the 30-day time frame, SDHC will terminate assistance to the family, after providing an opportunity for an informal hearing. In these cases, a Housing Manager must approve extensions. The HAP will not be abated for items that are the family's responsibility.

If the participant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

N. STANDARDIZED UTILITY ALLOWANCES

The utility allowance will be calculated using the lesser of the voucher size or unit size. SDHC has set two utility schedules. The two schedules will provide each household responsible for participant supplied utilities with the average allowance based upon the unit bedroom size. One schedule will be applied for households that have sewer/water included in the utility allowance and one for those that do not have sewer/water included. Standardized utility allowances will only apply to those households that are currently receiving a utility allowance or moving to a unit where they are required to pay for utilities. SDHC will no longer provide a Utility Reimbursement Payment to a family.

On request from a family that includes a person with a disability, SDHC will approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to accommodate a person with a disability. SDHC will review six months of the family's utility expenses to determine the average. The determined averaged amount will be used as the utility allowance schedule for an accommodation for persons with a disability. This may be reviewed on an biennial basis at recertification.

O. ROOMS USED FOR LIVING

When the unit includes a detached room/living space, the rating criteria for a sleeping/living room is used and the room/space must meet the requirements set forth by HUD HQS.

RESERVED

A. INTRODUCTION

This chapter relates to the traditional Housing Choice Voucher program or "MTW" vouchers. SDHC will use the methods as set forth in this Chapter to verify and determine that family income at admission and recertification is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations. Unless noted otherwise in this chapter, SDHC will use all other policies set forth in this Administrative Plan to apply to MTW vouchers and other voucher programs.

B. VERIFICATIONS, INCOME, ALLOWANCES

1. Methods of Verification and Verification Hierarchy Definitions

This Section defines methods of verification. SDHC will verify information through six methods of verification acceptable to HUD in the following order:

a. Up front income verification (UIV) EIV

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals using HUD's Enterprise Income Verification (EIV) system.

b. Up front Income Verification (UIV)

The verification of income before or during a family recertification, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals using non-HUD System (i.e., Work Number, Cal-Win, etc.)

c. Written Third-party Documents

Reliable documentation generated by a third-party source. Used to supplement EIV-reported income sources, other income sources and when tenant disputes EIV-reported income information.

Examples of third-party documents include:

Pay stubs

Payroll summary report

Notice or letter of hire or termination from an employer

Benefit verification letter from the Social Security Administration (SSA)

Bank statement

Child support payment stubs/printout

Welfare benefit letter or printout

Unemployment monetary benefit letter

SDHC may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain verification.

SDHC will obtain at a minimum, two months of current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the SDHC will project income based on written third party verification or the most reliable information available.

Exception for Averaging

For the purpose of averaging annual income or income from assets, at least one document used for averaging will be within 120 days of the date the document is received by SDHC.

d. Written Third-party Verification Forms

A standard form sent directly to a third-party source requesting specific information. The form is completed by the third party and returned directly to SDHC.

e. Oral Third-party Verification

Used when written third-party verification is not made available, SDHC staff will attempt to contact via telephone or email third party requesting information. Documentation of the phone call, person contacted and the information obtained will be included in the case file.

f. Self-Declaration

Utilized when obtaining verification via all other verification techniques are unsuccessful. An affidavit statement directly from the client declaring reported income and/or expenses to SDHC will be obtained. SDHC will document in the case file the reason third-party verification was not available.

Upon implementation of HOTMA according to HUD's guidance the implementation of HOTMA, if the applicant/participant "self-declares" that the combined total net value is less than $50,000, the Housing Assistant will not verify the assets through any method. The Housing Assistant will not request verification from the client. The Housing Assistance will not enter any asset information in the client's electronic file except for a memo documenting the use of this verification method.

2. Mandated Use of the Enterprise Income Verification (EIV) System [24 CFR §5.233]

SDHC will utilize the EIV system and review the EIV Income Report of each family at recertification of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV Income Report may be used at Interim certifications but is not required.

Upfront Income Verification (UIV) and Income Verifications Timeframes:

a. Moves

For applicants: EIV is valid if dated within 120 days of the PIC submission date for confirming/validating the family-reported income. Other types of UIV are valid if dated within 60-days of the date of SDHC's request.

For participants: EIV and other types of UIV are valid if dated 120 days in advance of the annual recertification, move or interim certification.

The SDHC will allow two weeks for return of third-party verifications. If third-party is not used or available, SDHC will document the justification.

b. Use of Third-Party Verification to Supplement Upfront Income Verification [24 CFR 5.236(b)]

Third-party verification may be used to supplement or compliment UIV information when appropriate.

3. Items to be Verified [24 CFR 982.516]

The following items will be verified annually:

a. All income not specifically excluded by the regulations.

Upon implementation of HOTMA according to HUD's guidance and after:

SDHC will determine the family's income for the previous 12-month period and make adjustments to reflect current income. Any change of income since the family's last annual recertification must be considered.

b. Full-time student status.

Full-time Student Deduction: Households with full-time student/s **18 years of age or older, not including the head of household or spouse,** are eligible to receive a "Full-Time Student Deduction" when calculating the annual income if proper verification/documentation is provided.

The deduction includes: $480 per year for each full-time student and not counting earned wages in excess of $480 per year, amount to be adjusted by HUD according to the CPI-W annually.

In order to qualify for the deduction, each adult in the household who is a full-time student (18 years of age or older, not including the head of household or spouse), must provide proof (from the school) that verifies their student status which includes a complete transcript (with the current term). A school transcript must be provided at Intake, recertification and as required by SDHC.

c. Student financial assistance.

For the traditional HCV program, SDHC will abide by HUD's Final Rule on Student Financial Assistance and Housing Opportunity Through Modernization Act of 2016: Implementation of Section 102, 103, and 104 in accordance with [24CFR 5.609 (b) (9), FR 4/10/2006 and FR 2/14/2023]

Financial assistance will be included in annual income to determine financial eligibility for the following students:

Students who are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965, and are:

Under the age of 24

Not a veteran

Unmarried, and

Do not have any children, and

The student has not established their own household for a minimum of not less than one year, and is not included on their parent's last tax return.

Student financial assistance in excess of tuition received will be included in annual income if they are:

Under the 1965 HEA,

From a private source, or

From an institution of higher education, as defined under the 1965 HEA

d. Student financial assistance excluded from annual income.

Any student financial assistance not subject to inclusion is fully excluded from annual income, whether it is paid directly to the student or to the education institution the student is attending. This includes any financial assistance received by:

Students residing with parents who are seeking or receiving Section 8 assistance

Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of institution of higher education

Students who are over 23 AND have at least one dependent child

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

Only the first $480 of the earned income of full-time students, other than head, spouse, or co-head, will be counted towards family income, amount to be adjusted by HUD according to the CPI-W annually.

e. Current assets, including assets disposed of for less than fair market value in the preceding two years. Assets include:

Checking and Savings Accounts

Stocks

Bonds

Certificates of Deposit

Money Market Funds

Current cash value of a family's assets is the net amount the family would receive if the assets were converted to cash. The current value of assets will be counted unless there is evidence provided by the family that an average of the balance for the last 2-6 months is a better reflection of anticipated income. Interest will be calculated based on the interest rate reflected on the most current statement, or on the CD set rate, unless third party verification reflects a higher interest rate. For stocks, the asset income will be based on the earnings for the most recent reporting period unless there is evidence provided by the family that an average of the earnings for a prior 12 months is a better reflection of anticipated income.

Assets Totaling $5,000 or Less

The total family assets under $5,000 will be considered nominal and will not require third party verification. Nominal assets will be verified by review of documents using the current balance.

Assets that Exceed $5,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

Upon implementation of HOTMA according to HUD's guidance **and after:**

Assets Totaling $50,000 or Less

The total family assets under $50,000 will be considered nominal and will be verified by self-certification, however, must be verified by third party once every three years.

Assets that Exceed $50,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

Acceptable verification may include any of the following:

Third-party written verification forms, letters, or documents provided directly by a financial institution or broker, unless not cost effective;

Checking account statements (3–6 bank statements), certificates of deposit, bonds, or financial statements supplied by a family if completed by a financial institution or broker;

Estimates by a stockbroker or real estate agent of the net amount a family would receive if it liquidated securities or real estate;

Real estate tax statements if the approximate current market value can be deducted from them;

Financial statements for business assets;

Copies of closing documents showing selling price and distribution of sales proceeds;

Appraisals of personal property held as an investment; or

A family's self-certification describing assets or cash held at the family's home or in safe-deposit boxes.

Note: When SDHC determines that requesting third-party written verifications to verify asset accounts for applicants/participants constitutes a cost burden to the family and SDHC, SDHC will use the Review of Documents method to verify all asset accounts.

Assets Disposed of for Less Than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

At admissions and recertifications, SDHC will obtain each family's certification that it has or has not disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that it has disposed of assets for less than fair market value, the applicant/participant must complete the "Declaration of Assets Disposed of for Less than Cash Value" form. The certification must show:

All assets disposed of for less than fair market value

The date they were disposed of

The amount the family received for each asset, and

The market value of each asset at the time of disposition

Third-party verification will be obtained whenever possible in conjunction with review of documents.

Savings or Checking Account Interest and Dividend Income

Acceptable methods of verification include, in order of priority:

Verification form completed by the financial institution;

Financial institution generated account statements, certificate of deposit statements, three (3) to six (6) months of statements for checking accounts; supplied by the family;

Broker statements showing the value of stocks or bonds and the earnings credited to the family (Earnings can also be obtained from current newspaper quotations or orally from brokers);

IRS Form 1099 from a financial institution; or

Life insurance policy/statement from Financial Institution showing cash surrender value table.

Interest Income from Mortgages and Similar Arrangements

Acceptable methods of verification include, in this order:

A letter received directly from an accountant, attorney, real estate broker, the buyer, or a financial institution stating the interest due for the next 12 months (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown); or

An amortization schedule showing interest for the 12 months following the effective date of certification or recertification.

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:

IRS Form 1040 with Schedule E (Rental Income);

Copies of latest rent receipts, leases, or other documentation of rent amounts;

Documentation of allowable operating expenses of the property including tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense; or

Lessee's written statement verifying rent payments to the family and the family's self-certification of net income realized.

Jointly Owned Assets

If the asset is owned by more than one person, the asset will be prorated according to the percentage of ownership. If no percentage is specified, the asset will be prorated evenly among owners. When the asset is prorated, the value of the asset and the anticipated income from the asset are both allocated in the same proportions.

If the asset is not effectively owned by an individual, it should not be counted as an asset. An asset is not effectively owned when the asset is held in an individual's name, but:

The asset and any income it earns accrue to the benefit of someone else who is not a member of the family, and

That other person is responsible for income taxes incurred on the income generated by the assets.

This would apply to a person who is a signatory solely for the purpose of handling payments for someone else (e.g. an elderly parent) in the event of an emergency.

f. Child care expense when it allows an adult family member to be employed, to further their education, or seek employment.

g. Total health and medical care expenses of all family members in households whose head, spouse, or co-head is elderly or disabled.

h. Disability assistance expenses that allow an adult family member to be employed include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family.

i. Familial or marital status when needed for head or spouse definition.

The following items will be verified annually, every five years or one time only, based on the medical professional's certification of how long the condition will continue:

Disability for determination of preferences, allowances or deductions.

The need for a live-in aide.

In addition to the above, the following items will be verified at Eligibility and when adding household members, including live-in aides:

Preference status (at Eligibility only).

Picture Identification for all adults (age 18 or older) including live-in aides.

U.S. citizenship/eligible immigrant status.

4. Allowances and Deductions

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions. HUD has five allowable deductions from Annual Income.

(**1**) **Dependent Allowance:** $480 each for family members (other than the head, spouse, co-head, foster child, foster adult or live-in aide) who are minors, and for family members who are 18 or older and who are full-time students or who are disabled; amount to be adjusted by HUD according to the CPI-W annually.

(**2**) **Elderly/Disabled Allowance:** $400 per family for families whose head, spouse or co-head is 62 years of age or older or disabled; Upon implementation of HOTMA according to HUD's guidance and after, $525 per family for families whose head, spouse or co-head is 62 years of age or older or disabled, amount to be adjusted by HUD according to the CPI-W annually.

(**3**) **Allowable health and medical care expenses:**

Deducted for all family members of an eligible elderly/disabled family;

Upon implementation of HOTMA according to HUD's guidance and after:

Deducted for all family members of an eligible elderly/disabled family; to the extent the sum exceeds ten percent of annual income.

Hardship exemption for hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

To receive hardship relief, a family must make a request for exemption and have received a deduction from annual income because the sum of their health and medical care expenses and/or reasonable attendant care and auxiliary apparatus expenses exceeded 3 percent of annual income as of January 1, 2025.

If approved, the family will receive a deduction from annual income for above expenses in excess of 5 percent of annual income for 12 months, then for expenses in excess of 7.5 percent of annual income for an additional 12 months. After the 24-month period has expired, the family is not eligible for this exception again.

If family makes a request after the 24 month hardship has been provided, family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim recertification.

Upon approval, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income for 90 days or when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. SDHC may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

SDHC will promptly notify the family in writing electronically or by mail of adjusted income and rent portion due to approved hardship.

Upon HUD's required compliance date for the implementation of HOTMA and after:

General Relief as related to health and medical care expense and reasonable attendant care and auxiliary apparatus expense deduction:

To receive general relief, a family must demonstrate that the family's unreimbursed health and medical care expenses or unreimbursed reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim recertification.

Relief is available regardless of whether the family previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either this general relief or the phased-in relief. Once a family chooses to obtain General Relief, a family may no longer receive the phased-in relief.

If SDHC determines that a family is eligible for general relief, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income. The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90

days, whichever comes earlier. SDHC may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

(**4**) **Child Care Expenses:** Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school or actively seek employment.

Upon HUD's required compliance date for the implementation of HOTMA, and after, hardship exemption to continue child care expense deduction

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction. SDHC will recalculate the family's adjusted income and continue the child care deduction The family must demonstrate to SDHC's satisfaction that the family is unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed or furthering his or her education.

The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Additional 90-day extensions may be granted on a base-by-case basis.

SDHC will promptly notify the family in writing electronically or by mail of adjusted income and rent portion due to approved hardship. Families are required to report to SDHC if the circumstances that made the family eligible for the hardship change within thirty (30) days.

(**5**) **Allowable Disability Assistance Expenses:** Deducted for attendant care or auxiliary apparatus for a persons with a disability if needed to enable the individual or an adult family member to work. See hardship exemption under (3) Health and Medical Care Expenses above.

Households receiving the Earned Income Disallowance (EID) as of December 31, 2023, will continue to receive the deduction until the EID term is satisfied. No new families may be added to EID after January 1, 2024.

C. MINIMUM RENT [24 CFR 5.630]

The Minimum rent is $50. Minimum rent refers to the Total Tenant Payment (TTP) and includes the combined amount a family pays towards rent and/or utilities when it is applied.

1. Hardship Requests for an Exception to Minimum Rent

SDHC recognizes that in some circumstances even the minimum rent may create a financial hardship for families. SDHC will review all relevant circumstances brought to SDHC's attention regarding financial hardship as it applies to the minimum rent. The following section states SDHC's procedures and policies concerning minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998.

2. Criteria for Hardship Exception

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

The family has lost eligibility or is awaiting an eligibility determination for federal, state, or local assistance.

The family would be evicted because of the imposition of the minimum rent requirement.

The income of the family has decreased because of changed circumstances, such as loss of employment.

Death in the family, which eliminates a prior source of income.

Other circumstances as determined by SDHC or HUD.

Temporary hardship is defined as lasting three months or less.

Long-term hardship is defined as lasting four months or more.

3. Notification to Families of Right to Hardship Exception

SDHC will notify all families subject to minimum rents of their right to request a minimum rent hardship exception and keep a copy in the family's file. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the TTP, which is the greatest of 30% of monthly-adjusted income, 10% of monthly income, or minimum rent.

SDHC notification will advise families that hardship exception determinations are subject to SDHC review and hearing procedures.

SDHC will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing. SDHC will request documentation as proof of financial hardship. SDHC will use its standard verification procedures to verify circumstances that have resulted in financial hardship. Requests for minimum rent exception must include a statement of the family hardship that qualifies the family for an exception.

4. Suspension of Minimum Rents

SDHC will suspend the minimum rent for all families whose requests meet the criteria, effective the first day of the month after the request is received by SDHC.

The minimum rent will be suspended until SDHC completes verifying the family's eligibility for the exemption and determines if the hardship is temporary or long term.

"Suspension" means that SDHC must not use the minimum rent calculation until SDHC has made this decision.

During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If SDHC determines that the suspension of minimum rent is not covered by statute, SDHC will impose a minimum rent retroactive to the date of suspension.

5. Temporary Hardship

If SDHC determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. SDHC will offer a Payment Plan Agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to SDHC" chapter for Repayment agreement policy).

6. Long-Term Duration Hardships

If SDHC determines that there is a qualifying long-term financial hardship, SDHC must exempt the family from the minimum rent requirements.

D. ANNUAL RECERTIFICATIONS

1. Regular Annual Activities [24 CFR 982.516, 982.405]

SDHC must conduct the following activities on an annual basis:

Annual recertification of Income and Family Composition

HQS Inspection

2. Regular Annual Recertifications [24 CFR 982.516]

Families are required to complete an annual recertification of income, assets, allowances, and deductions.

Recertification Notice to the Family

SDHC will maintain a recertification tracking system and the household will normally be notified by mail at least 120 days in advance of the anniversary date.

Completion of Annual Recertification of Income

SDHC will have all annual recertifications for families completed before the anniversary date. This includes notifying the family of the portion of the rent. Families will be notified at least 30 days before the scheduled date of the increase in their rent.

3. Collection of Information [24 CFR 982.516(f)]

SDHC has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

SDHC will require the family to complete a Personal Declaration form.

4. Compliance with Annual Recertification Process

SDHC establishes procedures to gather information and data necessary to complete the annual recertification. The procedures require the participation and signatures of all adult family members, 18 years and older, and family members who will turn 18 years of age by the effective date of the annual recertification. When interviews are scheduled, all adult family members and family members who will turn 18 years of age by the effective date of the annual recertification must attend. Failure to provide requested information and data and or failure to attend scheduled appointments may result in termination of eligibility.

5. Notification of Results of Annual Recertifications

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Rent Portion Letter is mailed electronically or by US postal service to the landlord and the tenant. Signatures are not required by SDHC. If the family disagrees with the rent adjustment, the family may request an administrative review by following the procedures stated on the Rent Portion Letter.

E. REPORTING INTERIM CHANGES

All program participants must report all changes in household composition to SDHC between annual recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

Upon HUD's required compliance date for the implementation of HOTMA, all Traditional HCV program participants must report all change in income that will result in an increase of 10% or more in annual adjusted income within 10 days of the change.

Timely reporting related to an increase in rent:

When a family reports a change in family income or composition that will result in an increase in tenant rent, the family must be provided a minimum of 30 calendar days' notice of the rent increase. The rent increase will be effective on the first of the month following the end of the 30-day notice.

Timely reporting related to a decrease in rent:

Families that report changes in family income or composition within 10 calendar days from the effective date of the change that results in a decrease in tenant rent, the decrease will be effective the first day of the month after the date of the actual change leading to the interim recertification of family income.

Untimely reporting related to an increase in rent:

Families that do not report changes in family income or composition within 10 calendar days from the effective date of the change, that will result in an increase to tenant rent, will have the rent increase implemented retroactively to the first of the month following the date of the change leading to the interim recertification.

Untimely reporting related to a decrease in rent:

When a family does not report a change in a timely manner that will result in a decrease in tenant rent, SDHC will implement the decrease no later than the first of the month following completion of the recertification.

However, SDHC may make a determination that the late report was due to circumstances outside of the family's control and that the decrease may be implemented retroactively.

When the determination is made that the late report was outside of the family's control, then a retroactive decrease may be applied beginning on the later of the first of the month following the date of the actual decrease in income or the effective date of the most recent admission, interim, or annual income examination. A rent adjustment cannot be retroactive to a date prior to the last income examination.

In case of any rent adjustment, the family and landlord will be provided with an updated rent portion letter.

1. Increases in Income

Traditional HCV program participants are not required to report increases in income or assets between regular recertifications.

Exceptions:

> "Zero Income" households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.
>
> Family Self-Sufficiency (FSS) program participants may request an interim adjustment through the FSS program coordinator.

Upon HUD's required compliance date for the implementation of HOTMA**:**

Non-MTW program participants must report increases in income that are estimated to increase the annual adjusted income by 10% or more.

• SDHC will not conduct an interim recertification if a family reports an increase in income within three months of their next annual recertification effective date.

• SDHC will not include earned income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim recertification performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual recertification.

2. Decreases in Income

Non-MTW program participants who lose a source of income or who have a reduction of income that will last 90 days or more, maybe eligible for an interim recertification at any time to reduce their portion of the rent, including a review of their medical deductions if a hardship occurs. If the decrease is reported timely and it is determined that a reduction of rent is warranted, the decrease will be effective the first day of the month after the date of the actual change leading to the interim recertification of family income.

Exceptions:

Decreases in public assistance income that is the result of a finding of fraud.

Upon HUD's required compliance date for the implementation of HOTMA and after:

If SDHC becomes aware that a Non-MTW program participant's annual adjusted income has increased by an estimated 10% or more of annual adjusted income; and the family has had a decrease of income interim processed during the certification period; and this increase has not occurred in the last three months of the certification period, an increased income interim will be conducted.

F. HOUSING QUALITY STANDARDS INSPECTIONS

SDHC conducts an annual Housing Quality Standards (HQS) inspection within three (3) months prior to the anniversary date. Special or Emergency inspections may be scheduled between anniversary dates.

G. UTILITY ALLOWANCE AND REIMBURSEMENT PAYMENTS

The same Utility Allowance Schedule is used for other (non-MTW) tenant-based programs and all building types. The schedule will be based on information available from local utility companies.

For families that provide their own range and refrigerator, SDHC will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance.

SDHC will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10% or more since the last revision, the schedule will be revised to reflect updated rates for all utilities. The revised utility allowance will be applied to participant family's rent calculation at their next recertification.

On request from a family that includes a person with a disability, SDHC will approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to accommodate a person with a disability. SDHC will review six months of the family's utility expenses to determine the average. The determined averaged amount will be used as the utility allowance schedule for an accommodation for persons with a disability. This may be reviewed on an annual basis at recertification.

RESERVED

A. INTRODUCTION

The Housing Assistance Payments (HAP) Contract is the contract between the landlord and SDHC that defines the responsibilities of both parties. This Chapter describes the circumstances under which the contract can be terminated by SDHC and the landlord, and the policies and procedures for such terminations. Also included in this chapter are the criteria for landlord disapproval and the various penalties for landlord violations.

SDHC may deny or terminate assistance for a family because of the family's action or failure to act. SDHC will provide families with a written description of the Family Responsibilities.

SDHC shall give participants an opportunity for administrative reviews and informal hearings for decisions regarding termination of participation in the Rental Assistance Program in accordance with the Code of Federal Regulations. Participants include persons assisted under the rental assistance program who hold a voucher and have been admitted to the program. The family becomes a participant on the effective date of the first HAP contract.

B. CONTRACT TERMINATION [24 CFR 982.311]

The term of the HAP Contract is the same as the term of the lease. Upon the issuance of a written 30-day notice, the Contract between the landlord and SDHC may be terminated by SDHC, the landlord, or by the participant terminating the lease. Housing assistance payments may only be paid to the landlord during the lease term, and while the participant is residing in the unit.

In the case of a deceased single member household, the contract will terminate the last day of the month in which the participant passed away.

No future subsidy payments on behalf of the participant will be made by SDHC to the landlord after the Contract is terminated. The landlord must reimburse SDHC for any subsidies paid by SDHC for any period after the contract termination date. In the instance of a tenant vacating a subsidized unit to move to a new unit, SDHC may cover up to five days of HAP overlap, regardless of move month, to ensure neither landlord is harmed in the process. The HAP overlap is a landlord incentive under the Landlord Partnership Program.

If the participant continues to occupy the unit after the HCV contract is terminated, the participant is responsible for the total amount of rent due to the landlord.

Participant termination of the lease must be in accordance with the terms of the lease.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS [24 CFR 982.310, 982.455]

If the landlord wishes to terminate the lease, the landlord is required under the lease to provide proper notice as stated in the lease and in compliance with local, state and federal regulations and fair housing laws.

During the term of the lease, the landlord may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the initial term of the lease, the landlord may not terminate the tenancy "for other good cause" unless the landlord is terminating the tenancy because of something the participant did or failed to do (see 24 CFR 982.310).

During the term of the lease, the landlord may only evict in accordance with the termination provisions in the HAP contract including:

Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease.

Violations of federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents or persons residing in the immediate vicinity of the premises; or any drug-related criminal activity on or near the premises.

Other good cause.

The landlord must provide the tenant a written notice specifying the grounds for termination of tenancy at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any landlord eviction notice to the tenant.

The landlord eviction notice means a notice to vacate, or other initial pleading used under State or local law to commence an eviction action.

Housing assistance payments are paid to the landlord under the terms of the HAP Contract. If the landlord has begun the eviction process, and the participant and the unit remains eligible, and the participant continues to reside in the unit, SDHC must continue to make housing assistance payments to the landlord until the landlord has obtained a court judgment or other process allowing the owner to evict the tenant.

SDHC must continue making housing assistance payments to the landlord in accordance with the Contract as long as the tenant participant continues to occupy the unit and the Contract is not violated.

By accepting the monthly housing assistance payment from SDHC, the landlord certifies that the participant is still in the unit, the rent is reasonable, and the landlord is not charging more rent for assisted units than unassisted units and s/he is in compliance with the contract. Housing assistance payments may only be paid to the landlord during the lease term, and while the participant is residing in the unit.

If an eviction is not due to a serious or repeated violation of the lease, and if SDHC has no other grounds for termination of assistance, SDHC may issue a new voucher so the participant can move with continued assistance.

D. TERMINATION OF THE CONTRACT [24] CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)], 982.455

The term of the HAP contract terminates when the lease terminates, when SDHC terminates program assistance for the participant, or when the landlord has breached the HAP contract. (See "Disapproval of Owner" and "Owner Restrictions and Penalties" sections)

SDHC may also terminate the contract:

If the participant is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition;

When funding is no longer available under the ACC. When this occurs, the contracts of the longest served work-able households with non-elderly or non-disabled members and lowest amount of HAP will be terminated. When the program is over leased, the contracts of the participants with the lowest amount of HAP will be terminated. In both cases, the participant's eligibility will be suspended until the funding shortfall or the over leased status is no longer applicable, at which time the participant will be issued a voucher.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the landlord.

1. Notice of Termination

When SDHC terminates the HAP contract for participant program violations or under the violation of HQS space standards, SDHC will provide the landlord and participant written notice of termination of the contract, and the HAP contract terminates at the end of the calendar month that follows the calendar month in which SDHC gives such notice to the landlord, provided the participant has not vacated the unit. The HAP contract terminates automatically the day the participant vacated the contract unit.

E. GROUNDS FOR DENIAL OR TERMINATION [24 CFR 982.552, 24 CFR 982.553]

1. Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

Denial for placement on SDHC's waiting list.

Denying or withdrawing a certificate or voucher.

Refusing to enter into a HAP contract or approve a lease.

Refusing to process or provide assistance under portability procedures.

Termination of assistance for a participant may include the following:

Terminating housing assistance payments under an outstanding HAP contract.

2. Mandatory Denial and Termination

SDHC must deny assistance to applicants and terminate assistance for participants:

If any member of the family fails to sign and submit HUD or SDHC required consent forms for obtaining information or revokes previously signed consent forms.

If no member of the family is a U.S. citizen or eligible immigrant (see Section H).

If any member of the family fails to disclose their Social Security number except when exempted by regulation.

If the family is under contract and 180 days have elapsed since SDHC's last housing assistance payment was made.

If a participant family is evicted from housing under the program for serious violations of the lease.

If a member of the family is subject to a lifetime sex offender registration requirement, when household member admitted after June 25, 2001.

Upon HUD's required compliance date for the implementation of HOTMA, if the applicant family has net family assets exceeding $100,000, (adjusted by HUD annually for inflation). There will be no exceptions for applicants.

If any member of the family has a present ownership interest in a suitable home for which they have the legal right to reside and legal authority to sell, unless the home is being purchased with a voucher or the family includes a person who is a victim of domestic violence or is offering the home for sale. This policy is not applicable to families with a mobile home or participating in the agency's Home of Your Own program. Upon HUD's required compliance date for the implementation of HOTMA, participant families with a home ownership interest will be issued a Notice of Intended Action to terminate Rental Assistance 180-days from the notification date. Applicant families with home ownership interest will be determined ineligible.

SDHC must permanently deny assistance to applicants and terminate the assistance of persons convicted the manufacture or production of methamphetamine on the premises of federally assisted housing.

3. Grounds for Denial or Termination of Assistance

SDHC may deny assistance to applicants or proposed additions to the family and terminate assistance for participants for violations of any of the following family responsibilities:

The family must:

Supply any information that SDHC or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release, or documentation used for initial eligibility and for regularly scheduled recertification or interim recertification of family income

and composition. All changes of income must be reported within ten (10) days during the recertification period, which begins with the receipt of the recertification packet and ends on the effective date of the recertification.

Disclose and verify Social Security Numbers, sign and submit consent forms for obtaining information.

Supply true and complete information.

Be responsible for a Housing Quality Standards damages and/or failed items caused by the family and allow SDHC to inspect the unit at reasonable times and after reasonable notice to comply with HUD requirements for an inspection.

Notify SDHC and the landlord, in writing, at least 30 days prior to vacating the unit or terminating the lease after the initial term of the lease.

Give/mail SDHC a copy of any owner eviction notice within ten (10) days from receipt of the notice.

Use the dwelling unit for residence by the family. The unit must be the family's only place of residence. Children must reside in the unit more than 50% (183 days) of the year to be considered a household member. The unit address cannot be used by anyone other than approved household members as a mailing address.

Request, in writing, SDHC approval to add other family members, foster children, or a live-in aide as an occupant of the unit prior to moving them into the assisted unit.

Report to SDHC in writing the birth, adoption, or court-awarded custody of a child, except for foster children, within thirty (30) days of the change.

Notify SDHC in writing within ten (10) days if any household member, including a live-in aide, no longer resides in the unit.

Notify SDHC in writing within ten (10) days if any family member is arrested for any drug related criminal activity or violent criminal activity even if it does not result in a conviction.

Ensure that if the family engages in legal profit-making activities in the unit, that such activities are approved by the landlord and are incidental to primary use of the unit by the family.

Supply information or certification to verify that the family is living in the unit or the family is absent from the unit. If the absence will be for more than 30 days, the family must notify SDHC in writing within ten (10) days from their absence. If a family member is absent from the unit more than 183 days, the "absent members" will be terminated.

Have a minimum of one household member who is a U.S. citizen, National, or has HUD-defined eligible immigration status.

Provide verification to SDHC that they have made prior request(s) to the landlord to resolve a Housing Inspection issue.

The family must not:

Intentionally misrepresent the family income or composition.

Commit any serious or repeated violation of the lease (such as non-payment of rent, destruction of property, or violent criminal or drug related activity that includes the use of medical and/or recreational marijuana).

Sublease, assign the lease, transfer the unit, or rent any part of the unit to outside parties.

Own or have any interest in the unit.

Rent a unit from an owner who is a parent, child, grandparent, grandchild, sister or brother of any member of the family.

Engage in drug related criminal activity (which includes the use of medical and/or recreational marijuana) or violent criminal activity.

Receive another housing subsidy for the same unit or a different unit. No household member, including minors, can be listed as part of another household that receives rental assistance from HUD, such as low-income housing.

Commit any program abuse, fraud, bribery, or any other criminal or corrupt act in connection with the Rental Assistance Program. This includes making "side" payments or "under the table" payments to the landlord.

Other reasons for terminating/denying assistance:

If the applicant owes rent or other amounts to SDHC or any other Public Housing Agency (PHA).

If the family has not reimbursed or complied with the terms of their repayment agreement to SDHC or any other Housing Authority for any amounts owed by the family.

If any member of the family has been evicted from federally assisted housing within the last 10 years.

If SDHC or any other PHA has ever terminated assistance under the Voucher program for any member of the family within the last ten (10) years.

If any member of the family commits drug related criminal activity (which includes the use of medical and/or recreational marijuana) or violent criminal activity.

If two (2) scheduled appointments have been missed without good cause and without prior notice to SDHC within a twelve-month period.

A family fails to reschedule an inspection after two missed appointments.

Failure to allow SDHC to inspect the unit at reasonable times and after reasonable notice to comply with HUD requirements for an inspection.

If the family fails to cooperate with any terms or conditions of the Rental Assistance Program.

If the family has threatened abusive or violent behavior toward SDHC personnel, including written, verbal, physical abuse or violent use of statements that are generally considered insulting or used to insult or intimidate.

If the family violates one of the Family Responsibilities listed above.

If the family is not currently in an assisted unit and does not submit a Request for Tenancy Approval within the term of their Housing Choice Voucher.

If any member of the family has alcohol abuse which interferes with the health, safety, or peaceful enjoyment of other residents.

If any member is convicted of manufacturing or producing methamphetamine in violation of any federal or state law.

If any member is subject to lifetime registration requirements under a State sex offender registration program.

If the family allows the assisted unit to be used by others not on the lease as a mailing address.

4. Denial of Prior SDHC Program Participants

SDHC will deny assistance to prior program participants who were terminated from the Housing Choice Voucher or Public Housing Programs for any violation of the program rules and regulations for a period of ten (10) years.

Prior SDHC program participants with balances owed to SDHC in conjunction with the Housing Choice Voucher or Public Housing Programs will continued to be denied assistance until they have repaid the debt in full.

F. CRIMINAL ACTIVITY POLICY

1. Purpose

Federally assisted housing is intended to provide a safe place to live and to raise families. SDHC shall not tolerate violent criminal or illegal drug activity. It is the intention of SDHC 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.

2. Denial of Participation and Termination of Assistance

Before approving a household member SDHC will perform a criminal history check and sex offender registration records search on every adult household member (18 years and older) and live-in aides. SDHC will deny participation in the program to applicants and terminate assistance to participants in cases where SDHC determines there is a preponderance of the evidence to believe that the participant(s), household member(s), or guest(s) are illegally using a controlled substance. This includes any family member that uses medical and/or recreational marijuana even with a medical

marijuana card, or if the participant, household member(s), or guest(s) abuse alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where SDHC determines that there is a pattern of illegal use of a controlled substance or pattern of alcohol abuse.

"Engaged in or engaging in" violent criminal activity means any act by applicants, participants, household members, or guests which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, including lewd and lascivious acts with a minor, which did or did not result in the arrest and/or conviction of the applicant, participant, household members, or guests.

The existence of the above-referenced behavior by any household member or guest, regardless of the applicant or participant's knowledge of the behavior shall be grounds for denial or termination of assistance.

The fact that an applicant or member of a currently assisted family was arrested for a disqualifying offense shall not be treated or regarded as proof that the applicant or member engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the applicant or member actually engaged in disqualifying criminal activity. As part of its investigation, SDHC may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The SDHC may also consider any statements made by witnesses or the applicant or member not included in the police report; whether criminal charges were filed; whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal; and any other evidence relevant to determining whether or not the applicant or participant engaged in disqualifying activity.

If an applicant, a member of an applicant or participant household or an addition to the participant's household, including a live-in aide, has been arrested, convicted or otherwise been determined to have engaged in illegal drug-related or violent criminal activity within the prior five years, admission or continued participation may be denied. In cases where a family member recently has been released from incarceration for drug-related activity or violent criminal activity and it has been more than five years since the activity occurred, SDHC and the family will execute a stipulated agreement that should engagement in such activity by any household member occur SDHC will issue a Notice of Intended Action to terminate assistance.

An applicant, a member of an applicant or participant household or an addition to the participant's household, including a live-in aide, will be notified and provided an opportunity to dispute the accuracy and relevance of a criminal record before admission or assistance is denied on the basis of such record. If the applicant does not dispute the accuracy or relevance of the criminal information, a denial notice will be sent. If denied, the applicant, a member of an applicant or participant household or an addition to the participant's household, including a live-in aide will also be afforded the right to request an administrative review. The administrative review will be conducted by any person designated by SDHC, other than a person who made or approved the decision under review or a subordinate of that person.

As with admissions decisions, participants will be notified and provided an opportunity to dispute the accuracy and relevance of a criminal record before assistance is terminated on the basis of such record. Assistance for participants will be terminated through a grievance process. Participants may request an informal hearing if assistance is terminated.

3. Address Match Program (AMP)

SDHC has formed an ongoing relationship with law enforcement entities including, but not limited to San Diego Police Department, Sheriff's Office and HUD Office Inspector General, to identify possible drug or criminal activities committed by residents of assisted housing units or in assisted housing units using the Address Match Program reports.

AMP reports will be reviewed to determine if a person suspected of drug or violent criminal activity is a participant or guest of assisted housing. If the person named in the AMP report is a participant, guest, or unauthorized household member, a Notice of Intended Action may be issued to terminate housing assistance.

G. NOTICE OF TERMINATION OF ASSISTANCE

When SDHC decides to terminate assistance, the family will receive a written Notice of Intended Action to terminate assistance, which states:

The reason(s) for the proposed termination.

The effective date of the proposed termination.

The family's right, if they disagree, to request an Informal Hearing held before termination of assistance.

The date by which a request for an informal hearing must be received by SDHC.

1. Required Evidence

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 may not 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.

H. HOUSING COMMISSION POLICY FOR CONSIDERATION OF CIRCUMSTANCES [24 CFR 982.552]

1. Violence Against Women

SDHC will comply with the Violence Against Women Act (VAWA) as signed into law on January 5, 2006 and reauthorized under the Violence Against Women Act Reauthorization Act of 2022 that provides protections for those who receive Housing Choice Voucher Rental Assistance if they become victims of domestic violence, dating violence, sexual assault, stalking, economic abuse, and/or technological abuse.

Denial of Assistance:

VAWA provides that applicants cannot be denied assistance or admission because they are a victim of domestic violence, sexual assault, dating violence, stalking, economic abuse, and/or technological abuse provided the applicants are otherwise qualified for assistance or admission to rental assistance programs.

Termination of Assistance

Criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking economic abuse, and/or technological abuse shall not be considered cause for termination of assistance for any participant or affiliated individual of a participant's family who is the victim of the domestic violence, dating violence, sexual assault, stalking, economic abuse, and/or technological abuse.

Lease Terms

An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking, economic abuse, and/or technological abuse will not be considered a "serious or repeated" violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy or occupancy rights of the victim of that violence.

Removal of Perpetrator

VAWA allows SDHC or a landlord of a subsidized property to evict, remove, or terminate assistance to any individual tenant who engages in criminal acts or physical violence against family members or others. This may be done without evicting or taking any other action to the other occupants.

There are some limitations to individuals with VAWA protections:

Assistance and/or tenancy may be terminated if SDHC or the landlord/manager can demonstrate that an assisted tenant posed "an actual or imminent threat" to other tenants or to persons employed at or providing services at a rental property or unit.

Assistance and/or tenancy may be terminated for lease violations that are not based on an incident or incidents of domestic violence, sexual assault, dating violence, stalking economic abuse, and/or technological abuse for which VAWA provides protection.

Verification/Certification

The SDHC shall require verification or certification concerning the incident or incidents where an individual claims VAWA protections in one of the following three ways:

1. Police report or court order.
2. Other document signed by a professional person from whom the victim has sought assistance in addressing the domestic violence, sexual assault, dating violence or stalking.
3. HUD approved form 5382.

The name of the perpetrator must be provided if the name is known and it is safe to provide. Failure to provide verification within fourteen (14) business days of the date requested will result in loss of protection under VAWA.

Emergency Transfer Plan

Victims of sexual assault may qualify for an emergency transfer if they either reasonably believe there is a threat of imminent harm from further violence if they remain in their dwelling unit, or the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer. Victims must submit a written request for an emergency transfer and meet the requirements listed in VAWA 2017 HUD Notice.

Submission of false information on an emergency transfer request could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Housing Choice Voucher participants requesting emergency transfer will be issued a move voucher allowing the victim to search for another unit in its jurisdiction or begin the portability process if the victim wishes to move outside of the PHA's jurisdiction and does not owe monies to SDHC.

Under the Project Base Voucher program, the assistance is tied to the unit as opposed, in the case of tenant-based assistance, to the family. Therefore, PBV families cannot move with their PBV assistance. However, if the victim seeks to move from the assisted unit, has been living in the PBV unit for more than one year, and has given the landlord advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease, the PHA must give the victim priority to receive the next available opportunity for continued tenant-based rental assistance. If the PBV family has lived in the unit for less than one year and a safe unit is not available, the family will be placed on a confidential waiting list and referred to applicable resources the SDHC has available, such as the Family Justice Center, YWCA, and Rachel's Women Center.

Coercion and Retaliation SDHC will not discriminate, coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under the housing title of VAWA.

Confidentiality

Information provided about an incident or incidents of domestic violence, dating violence, sexual assault, stalking, economic abuse, and/or technological abuse shall be retained by the SDHC in confidence and shall not be entered in any shared database nor provided to any related entity, except where disclosure is:

1. Requested or consented to by the individual in writing; or
2. Required for use in an eviction proceeding as permitted in VAWA; or
3. Required by applicable law

Referrals to Support Services

Upon determination of each individual case, and as needed, the SDHC will make certain that a referral is made to the San Diego County Mental Health Services, Child Protective Services, and Adult Protective Services agencies and any other service providers to ensure the family's safety. The SDHC will cooperate with the social services agencies to make sure that the family is able to maintain their housing assistance.

2. Other Circumstances

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, SDHC has discretion to consider all of the circumstances in each case, including the seriousness of the violation. SDHC will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. SDHC may also review the family's more recent history and record of compliance, patterns of providing false information and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

In appropriate cases, SDHC may permit the family to continue receiving assistance provided that the family member(s) determined to have engaged in the proscribed activities will not reside in the unit.

If the violating member is a minor, SDHC may consider individual circumstances. SDHC may consult with Juvenile Court officials.

In appropriate cases, SDHC may offer the family a stipulated agreement that will contain the terms and conditions for continued assistance. Failure to enter into, or comply with the agreement, shall result in the issuance of a Notice of Intended Action to terminate assistance.

Consideration shall be given for applicants of special programs.

I. DENIAL OR TERMINATION DUE TO INELIGIBLE IMMIGRANT STATUS [24 CFR 5.514, 5.516, 5.518]

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. SDHC must offer the family an opportunity for a hearing.

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

J. MISREPRESENTATION IN COLLUSION WITH LANDLORD [24 CFR 982.551, 982.552 (c)]

If there is a preponderance of evidence that the landlord commits fraud or is involved in any other illegal scheme with the participant, SDHC will deny or terminate assistance.

K. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]

It is a Family Responsibility to supply information, documentation, and certification as needed for SDHC to fulfill its responsibilities. SDHC schedules appointments and sets deadlines in order to obtain the required information. A participant who fails to keep an appointment or meet a set deadline without prior notice or good cause or fails to supply required information may be sent a Notice of Intended Action.

A Notice of Intended Action may be sent to a participant who fails to keep two (2) scheduled appointments and/or two (2) scheduled inspections without prior notice or good cause within a one-year period.

"Good cause" is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family.

A participant who fails to supply information required by a deadline without notifying SDHC may be sent a Notice of Intended Action.

L. DISAPPROVAL OF LANDLORD [24 CFR 982.306, 982.54(d)(8)]

For purposes of this section, "landlord" includes a principal or other interested party.

SDHC will disapprove the landlord for the following reasons:

HUD has informed SDHC that the landlord has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed SDHC that the federal government has instituted an administrative or judicial action against the landlord for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.

HUD has informed SDHC that a court or administrative agency has determined that the landlord has violated the Fair Housing Act or other federal equal opportunity requirements.

Unless their lease was effective before June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. SDHC may waive this restriction as a reasonable accommodation for a family member who is a person with a disability (24 CFR 8.3). SDHC requires all landlords and tenants to complete a certification declaring they are not related.

The landlord has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

The landlord has violated any obligation under the HAP contract for the dwelling unit, including the landlord's obligations to maintain the unit to HQS, including any standards SDHC has adopted in this policy.

The landlord has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

The landlord has engaged in violent or drug related criminal activity.

The landlord has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based assistance or leased under any other federal housing program.

The landlord has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

M. LANDLORD RESTRICTIONS AND PENALTIES [24 CFR 982.404(a), 982.405, 982.453]

The Housing Assistance Payment (HAP) contract serves as the cornerstone governing the relationship between property owners participating in the HCV and PBV programs and SDHC. Under HUD 982.453 regulations at 24 CFR section, the following actions constitute breaches of the HAP contract by the owner (including principals or property managers):

1. Violation of obligations under the HAP contract, including failure to maintain the unit in accordance with Housing Quality Standards (HQS).
2. Breach of any obligations under other HAP contracts governed by Section 8 of the 1937 Act (42 U.S.C. 1437f).
3. Commission of fraud, bribery, or other corrupt or criminal acts in connection with any federal housing program.
4. Non-compliance with regulations for HUD-insured mortgages or loans, mortgage terms, regulatory agreements, or involvement in fraudulent or criminal activities related to such agreements.
5. Engagement in drug-related criminal activities.
6. Commitment of violent criminal activities.

When SDHC determines that a breach of the HAP contract has occurred, particularly concerning HQS or other stipulations, specific actions must be taken to uphold program requirements:

1. SDHC will issue a written notification to the owner detailing the breach and specifying reasons for the determination. The notice may require the owner to undertake corrective actions within a stipulated timeframe.
2. Remedial actions that SDHC may take include recovery of overpayments, temporary suspension of housing assistance payments, abatement or reduction of payments, termination of payments, or termination of the HAP contract itself.
3. SDHC reserves the right to pursue additional legal remedies through judicial orders or actions, seeking specific performance, injunctive relief, or damages as necessary.

Prior to approving an owner's participation in the program and executing a HAP contract, SDHC ensures compliance with eligibility criteria under 24 CFR section 982.306:

1. SDHC will not approve an owner's participation if notified by HUD or other sources of the owner's debarment, suspension, or limited participation under 24 CFR part 24.

2. SDHC will adhere to directives from HUD instructing against an owner's participation due to ongoing administrative or judicial actions for violations of federal fair housing or equal opportunity requirements, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, Violence Against Women Act, or Americans with Disabilities Act.

This framework ensures that SDHC maintains program integrity, upholds housing standards, and protects the interests of participants in the HCV and PBV programs within San Diego.

If a landlord has committed fraud or abuse or is guilty of frequent or serious contract violations, SDHC will restrict the owner from future participation in the program. SDHC may also terminate some or all contracts with the landlord.

Before imposing any penalty against a landlord, SDHC will review all relevant factors pertaining to the case and will consider such factors as the landlord's record of compliance and the number of violations.

N. CHANGE IN OWNERSHIP

A change in ownership or transfer of the HAP contract does not require execution of a new HAP contract. The "new" owner must adhere to program requirements.

As a party to the HAP contract, SDHC may approve the reassignment of the HAP contract at the landlord's request. SDHC may deny assignment of the contract for any of the reasons listed in this chapter.

SDHC may approve a change of property ownership upon the written request of the new landlord accompanied by a copy of the closing escrow statement or other document(s) showing title to subject property.

SDHC may not approve an assignment of the contract without the new payee's completion of form "Assumption of Lease and Housing Assistance Payments Contract," as well as the Internal Revenue Service Tax Form W-9.

SDHC will provide the same name/tax identification number combination provided on Tax Form W-9 for income tax reporting purposes to the Internal Revenue Service.

SDHC must receive in writing all requests to change the payee and/or the address to which HAP payment will be sent.

In the event there is a disagreement between the landlord and assignee (e.g. property manager, bank or other interested party) as to who should receive the HAP payment, SDHC shall withhold future payments until there is a court decision or mutual agreement between the landlord and the assignee as to who shall receive the HAP payment.

O. PAYMENT PLAN AGREEMENT FOR FAMILIES **[24 CFR 982.552 (C)(1)(V-Vii, 24 CFR 982.163]**

Active Participants

A Payment Plan Agreement is a document entered into between SDHC and a person who owes a debt to SDHC. It details the nature of the debt, the terms of payment, any special provisions of the agreement and the remedies available to SDHC upon default of the agreement.

SDHC will determine whether to enter into a Payment Plan Agreement with a family based on the circumstances surrounding the debt. SDHC will prescribe the terms of the Payment Plan Agreement.

The monthly amount due for Payment Plan Agreements will be 10% of the family's gross monthly income. If 10% of the family's gross monthly income is less than $25, then the monthly amount due will be $25.

A signed Payment Plan Agreement does not waive SDHC's right to terminate housing assistance.

Families who owe money to the SDHC will be required to repay in accordance with the Payment Plan Agreement. The family's payment plan agreement may:

Require the family to pay the balance in full; and/or

Pursue civil collection of the balance due; and/or

Terminate the housing assistance.

If the family requests to move, or is required to move by the landlord, the family will be required to pay the balance in full or be in good standing with their Payment Plan Agreement prior to the issuance of a voucher unless they qualify for a hardship exemption and are not in violation of the lease. Families who owe SDHC money will not be allowed the ability to exercise Portability and move to jurisdictions outside of the City of San Diego.

If the family is required to move due to an action by SDHC (mandatory move), the family will not be required to pay the balance in full prior to the issuance of a voucher.

Prior Participants

When it is determined that prior participants failed to comply with program regulations or reporting requirements causing payments on their behalf to which they were not entitled, they will be sent a notification of debts owed. The notification will provide the total amount owed to SDHC and the ability to dispute the amount within 30 days of the notice. In addition, the notification will offer a repayment agreement. No further action to collect on the debt will be taken when a repayment agreement is executed and payments are current.

P. DEBTS DUE TO NON-REPORTING OR SUBSTANTIAL UNDER-REPORTING OF INFORMATION [24 CFR 982.163]

When an income source is not reported by the participant or there is a substantial difference in the reported income information, the SDHC will take the following actions:

Request the participant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources, and/or

Request from third party source, any information necessary to resolve the income discrepancy.

Definition of Substantial Under-Reporting: an amount equal to or greater than $2,400 annually per income source.

A Payment Plan Agreement will be prepared based on the amount of underpayment of rent resulting from the unreported or underreported income. SDHC will determine the retroactive rent as far back as the existence of complete file documentation (form HUD 50058 and supportive documentation) to support such retroactive rent determinations.

The participant will be presented with the Payment Plan Agreement and provided an opportunity to contest the findings.

Based on the all the circumstances in each case, including the seriousness of the violation, SDHC will use its discretion in terminating assistance or allowing the family to enter into a Payment Plan Agreement and continue participation.

Families who refuse to enter into a Payment Plan Agreement will be terminated from the Rental Assistance Program.

Where appropriate, SDHC will refer the case for civil or criminal prosecution.

Q. DEBTS OWED - NATIONAL HUD REPOSITORY [24 CFR 5.233]

HUD maintains a national repository of debts owed to Public Housing Agencies (PHAs) or Housing Choice Voucher landlords and adverse information of former participants who have voluntarily or involuntarily terminated participation in the program. All PHAs are required to use HUD's Debts Owed database and report the following:

Amount of any balance owed to the PHA or Section 8 landlord (up to $500,000) and explanation for balance owed (i.e. unpaid rent, retroactive rent (due to unreported income and/ or change in family composition) or other charges such as damages, utility charges, etc.); and

Whether or not the debtor has entered into a repayment agreement for the amount owed to the PHA; and

Whether or not the debtor has defaulted on the repayment agreement; and

Whether or not the PHA has obtained a judgment against the debtor; and

Whether or not the debtor has filed for bankruptcy; and

The negative reason(s) for the end of participation or any negative status (i.e., abandoned unit, fraud, lease violations, criminal activity, etc.) as of the end of participation date.

The information will be used by PHAs to determine a family's suitability for initial or continued rental assistance and avoid providing housing assistance to families who have previously been unable to

comply with HUD program requirements. Debt owed and termination information will be maintained in the HUD repository for up to ten (10) years from the end of the participation date. HUD allows former participants to contest the information by submitting their dispute in writing to the reporting PHA within three years of the end of participation date; otherwise, the debt and termination information will be presumed correct.

SDHC will render a written response within 30 days of receiving a dispute in writing for information reported by SDHC. If SDHC determines the disputed information is incorrect, SDHC will update HUD's Debts Owed database.

R. DEBTS DUE FOR CLAIMS [24 CFR 792.103, 982.552 (c)(1)(vi-viii)]

If SDHC paid claims to a landlord, SDHC may require the family to enter into a Payment Plan Agreement.

Families who refuse to enter into a Payment Plan Agreement will be terminated from the Rental Assistance Program.

Nonpayment of monies owed to SDHC may result in termination from the Rental Assistance Program.

S. OWNER DEBTS TO SDHC [24 CFR 982.453(b)]

If SDHC determines that the landlord has retained Housing Assistance Payments or claim payments the landlord is not entitled to, SDHC may reclaim the amounts from future Housing Assistance Payments or claim payments owed the landlord for any other units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, SDHC will:

Require the landlord to pay the amount in full; and/or

Enter into a Payment Agreement with the landlord for the amount owed; and/or

Pursue collections through public or private agencies; and/or

Restrict the landlord from future participation.

Amounts under $500 that are owed to the SDHC, and disputed by a landlord may be disregarded at the discretion of SDHC to avoid administrative burden.

T. COLLECTION TOOLS

SDHC will use a variety of collection tools to recover debts including, but not limited to:

Requests for lump sum payments

Civil or criminal suits

Payment Plan Agreements

Abatements

Reductions in HAP to landlord

Collection agencies

Credit bureaus

U. HOUSING COMMISSION RETENTION OF MONIES [24 CFR 792.202]

SDHC shall retain 50% of the amount collected from Payment Plan Agreements received as a result of misrepresentation, fraud or abuse.

V. ADMINISTRATIVE REVIEW PROCEDURES (24 CFR 982.554, 982.555)

1. Applicants

SDHC will issue a written Notice of Ineligibility to Housing Choice Voucher applicants that have been determined ineligible. The Notice will include the reason(s) for the decision and the procedures and timeframe for requesting an Administrative Review.

The Administrative Review shall be conducted by any person designated by SDHC other than the person or a subordinate of the person who made or approved the original decision under review.

The applicant shall be given the opportunity to present written objections to SDHC's decision. SDHC shall promptly notify the participant in writing of the decision.

2. Participants

SDHC will issue participants a written Notice of Intended Action for decisions that reduce a family's assistance. The notice shall include the reasons for the decision and the opportunity to request an Administrative Review.

When the participant's objection is not resolved through the Administrative Review process, the Administrative Review decision letter will notify the participant of their right to request an Informal Hearing.

W. OPPORTUNITY FOR AN INFORMAL HEARING AFTER COMPLETION OF ADMINISTRATIVE REVIEW PROCESS [24 CFR 982.555, 5.514(b)(2)]

SDHC will give a participant family an opportunity for an Informal Hearing to consider whether the following SDHC decisions relating to the individual circumstances of the participant family are in accordance with the law, HUD regulations and SDHC policies:

Determination of the family's annual or adjusted income, and use of such income to compute the housing assistance payment

Determination of appropriate utility allowance for tenant paid utilities

Determination of voucher size

Termination of assistance:

For a participant family because of the family's action or failure to act

Because the participant family has been absent from the assisted unit for longer than 30 consecutive days without notifying SDHC

Because of disputed arrest record

Denial of Reasonable Accommodation request

Determination of ineligible immigration status

An Administrative Review or Informal Hearing is not required for any of the following:

Discretionary administrative determinations by SDHC including determinations in response to Hardship requests under Path to Success

General policy issues or class grievances

A SDHC determination not to grant approval of the tenancy.

Determination that unit does not comply with HQS

Determination that unit is not in accordance with HQS due to family size or composition

Determination not to approve an extension of the voucher term

Determination not to approve a unit or tenancy

X. INFORMAL HEARING POLICY

The purpose of the Informal Hearing Process is to afford SDHC the opportunity to have an objective party consider whether decisions relating to a family's continuing eligibility are in accordance with law, HUD regulations and this Administrative Plan.

The Informal Hearing is not meant to replace or circumvent appropriate judicial review.

SDHC may implement the following prior to the hearing:

Changes in total participant payment or participant rent.

Denial of a new voucher for a family that wants to move.

Unit size determinations for a family that wants to move.

The informal hearing will be conducted by any person designated by SDHC, other than a person who made or approved the decision under review or a subordinate of that person. Informal hearings may be conducted telephonically, via video teleconferencing, or through other virtual platforms.

The participant will be given the option of presenting oral or written objections to the decision in question. The participant has a right to legal counsel, at his or her own expense. The Hearing Officer will regulate the conduct of the hearing. Both SDHC and the participant must have an opportunity to present evidence and/or witnesses as provided in this Plan established by SDHC.

The Hearing Officer shall make a determination as to whether the rule or regulation was correctly applied based only on the information submitted at the hearing. A Notice of Hearing Findings (Hearing Decision) shall be provided, in writing, to SDHC with a copy to the participant within 20 workdays from the conclusion of the hearing.

SDHC will retain all requests for a hearing, supporting documentation and a copy of the final decision in accordance with the established retention policy.

Y. PRE-HEARING PROCEDURES

If SDHC staff discovers possible program violations by participants, staff is responsible for gathering and reviewing information to determine if there is cause to issue a Notice of Intended Action (NIA).

The NIA will include the action that SDHC proposes to take; the reason for the action; the laws, regulations or policies which staff believes require the action; and the procedures for the participant to follow to request an informal hearing. All possible violations will be listed on the NIA at the time of issuance and will include a brief description as well as the approximate timeframe and place of possible violations.

SDHC shall mail or personally deliver the NIA to the participant at least 30 calendar days before the date of intended action.

The NIA will advise the participant they must request an informal hearing within 30 calendar days from the date of mailing of said notice.

SDHC shall provide a hearing if a request for an informal hearing is made by the participant pursuant to the instructions on the NIA. The participant shall be notified of the scheduled hearing at least ten calendar days before the scheduled date.

After a hearing date has been scheduled, the family may request to reschedule, only one time, upon showing "good cause," which is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family.

Should the participant submit a request for a hearing on an untimely basis (later than 30 calendar days from the date of mailing of the Notice by SDHC), staff will inform the participant by mail within ten calendar days of such receipt that the participant is not entitled to a hearing. However, a participant who has submitted an untimely hearing request within one year from the date the NIA was issued and

has shown good cause, as previously defined, may be granted an informal hearing. An untimely hearing request may be denied if sufficient good cause documentation is not provided.

In the event SDHC receives a clear, written statement signed by the participant that he/she no longer wishes to participate in the program; or if mail directed to the participant has been returned by the post office indicating no forwarding address and/or participant's whereabouts are unknown, it is understood that SDHC may proceed with the intended action immediately.

If a former participant requests reinstatement after voluntarily surrendering their voucher, the request for reinstatement must be received within thirty (30) calendar days of notice of the voluntary surrender. Reinstatement requests received more than thirty (30) calendar days after the participant voluntarily surrenders their voucher will be considered untimely. Staff will inform the participant by mail, within ten calendar days of receipt of the reinstatement request, that the participant is not entitled to a review or hearing.

Z. PRE-HEARING RIGHTS AND RESPONSIBILITIES

The participant has rights and must adhere to the responsibilities outlined in the "Notification of Rights and Responsibilities Regarding the Informal Hearing." These include:

The opportunity to receive a reasonable continuance of the hearing for good cause shown.

An adequate opportunity to examine the contents of their case file and all documents and records to be used by SDHC at the hearing.

The right to receive, upon request, copies of documents and/or records that SDHC expects to use at the hearing.

The right to choose an attorney or another person to represent them in the hearing.

The SDHC has a right to be notified if the family will be represented by an attorney or another person at the hearing at least five (5) workdays prior to the hearing.

The right to withdraw the hearing request at any time by so informing SDHC in writing.

Before the scheduled hearing, SDHC must be given the opportunity to examine at SDHC offices any family documents that are directly relevant to the hearing. These documents must be submitted to the Hearing Coordinator within three workdays before the scheduled hearing if the family intends to rely on these documents at the hearing. SDHC must be allowed to copy any such document(s). If the family does not make the document available for examination on request of SDHC, the family will not be allowed to present them for consideration at the hearing.

For purposes of this section, the term "document" includes records and regulations. In no case will the family be allowed to remove the file from SDHC's office.

The participant and the Hearing Officer shall be sent a copy of the Hearing Packet no less than five days before the Hearing.

If SDHC does not make a document available for examination at the family's request, SDHC may not rely on the document at the hearing.

AA. RIGHTS AT THE HEARING

At the hearing, the participant and SDHC shall have the right to:

Represent themselves or be represented by a lawyer or other persons of their choosing.

Bring and examine witnesses.

Submit evidence to establish all relevant facts and circumstances in accordance with the above policy.

Offer explanations or arguments relevant to the issue(s).

Challenge any evidence or testimony including an opportunity to call, confront and cross-examine adverse witnesses.

Provide their own interpreter or other device facility to overcome language or other communication handicaps.

1. Recording the Proceedings

After a hearing decision has been rendered, the family may request a copy and one will be provided.

BB. DENIAL OR DISMISSAL OF AN INFORMAL HEARING

SDHC shall deny or dismiss a timely request for a hearing under the following conditions:

The participant requesting the hearing has withdrawn the request.

When the sole issue is one of federal law or regulation requiring automatic adjustments for classes of Rental Assistance Program participants.

A hearing is deemed abandoned if the participant fails to appear within 15 minutes of the scheduled hearing.

Should SDHC determine the hearing "abandoned," a letter will be sent to the participant stating the hearing was abandoned. The participant has five workdays to demonstrate, in writing, good cause that the hearing should not be considered abandoned and request another hearing. “Good cause” is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family.

Should the participant fail to contact SDHC within five workdays SDHC will follow through with the intended action.

CC. CONDUCT OF HEARING

The hearing may be conducted by any person or person(s) designated by SDHC, other than a person who made or approved the decision under review or a subordinate of this person.

1. Hearing Officer Responsibility

In conducting the hearing, the Hearing Officer shall be responsible for:

Explaining the hearing is informal, but that the decision is binding, subject to judicial review.

Ensuring a full inquiry into all relevant issues.

Regulating the conduct of the hearing consistent with due process and in accordance with this Plan to ensure an impartial, orderly hearing.

Preparing an official hearing record, which shall contain the substance of the oral testimony presented at the hearing; all papers, documents, records, etc., submitted for the hearing and/or considered by the Hearing Officer; and the written decision of the Hearing Officer.

2. Evidence

SDHC and the family must be given the opportunity to present evidence in accordance with this Plan and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

3. Definition of Preponderance of Evidence

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.

With respect to burden of proof in civil actions, this means the greater weight of evidence, or evidence that is more credible and convincing to the mind; that which best accords with reason and probability.

Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence, the opportunity for knowledge and the information possessed.

Note: *The word "preponderance" means something more than "weight"; it denotes a superiority of weight, or outweighing.*

4. Credible Evidence

Credible evidence can be provided by such sources as police, the court system and SDHC staff. Testimony from neighbors, when combined with other credible evidence, can be used to determine whether a preponderance of evidence exists.

DD. HEARING DECISIONS

The hearing decision shall be based exclusively on the evidence and other material introduced at the hearing and which shall comply with governing law, regulations and SDHC policies. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A hearing decision shall be rendered which will either uphold or reverse the intended action of SDHC.

The Hearing Officer shall not allow the participant or SDHC any additional time to provide information or evidence to support the participant's case. The Hearing Officer will issue a written decision to SDHC and participant no later than 20 workdays following the hearing except those hearings regarding eligible immigration status; in which case the decision will be issued within 14 days.

The hearing decision shall summarize the facts, identify each issue considered, specify the reasons for the decision on each issue and identify the supporting evidence, laws, regulations, and SDHC policies upon which the decisions are made. Regardless of the number of cited items, the Hearing Officer must find at least one single, sustained violation in order to uphold the intended action of SDHC.

The Hearing Officer must decide:

Whether SDHC correctly applied the program rules, regulations or SDHC policies in the action outlined in the NIA; or

Whether the participant did or did not violate a program regulation, law or policy.

When the hearing decision is unfavorable to the participant, it shall advise the participant of the following:

The participant's right to obtain judicial review of the decision under California Code of Civil Procedure 1094.6 if a petition therefore is filed within 1 year of the date of the decision.

That the hearing decision shall be final and binding upon all parties unless timely judicial review is sought by either party.

The Commission is not bound by a hearing decision:

Concerning a matter for which SDHC is not required to provide an opportunity for an informal hearing pursuant to 982.555 (f), or otherwise exceeds the authority of the person conducting the hearing under SDHC hearing procedures; or

Contrary to HUD regulations or requirements, or otherwise contrary to federal, state or local law.

If SDHC determines that it is not bound by a Hearing decision, SDHC shall promptly notify the participant of the determination, and of the reasons for the determination.

EE. RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS [24 CFR 5.514]

Assistance to the family may not be delayed, denied or terminated based on immigration status at any time before the receipt of an appeal decision from the U.S. Citizenship and Immigration Services Agency.

Assistance to a family may not be terminated or denied while SDHC hearing is pending but assistance to an applicant may be delayed pending SDHC hearing

RESERVED

A. INTRODUCTION [24 CFR Part 982, Subpart M]

SDHC will permit the use of the following special housing types in its program:

Single Room Occupancy (SRO)

Manufactured Housing

Shared Housing

Congregate Housing

Group Homes

SDHC will not set aside any program funding for special housing types.

B. SINGLE ROOM OCCUPANCY (SRO) [24 CFR 982.602, 982.604]

A single person may reside in an SRO housing unit.

There will be a separate lease and housing assistance payment contract for each assisted person residing in a SRO. [24 CFR 982.603]

1. SRO Rent and Housing Assistance Payment

Voucher Program: SDHC SRO payment standard is 75% of the zero bedroom payment standard schedule. For a person residing in an exception area the payment standard is 75% of the HUD-approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

Utility Allowance: The utility allowance for an assisted person residing in SRO housing is 75% of the zero bedroom utility allowance.

2. Housing Quality Standards

SDHC will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SRO's as regulated in 24 CFR 982.605. Note: This includes the square footage requirement.

C. CONGREGATE HOUSING [24 CFR 982.606, 982.607, 982.608]

An elderly person or a person with a disability may reside in a congregate housing unit.

SDHC may approve a family member or live-in aide to reside with the elderly person or a person with a disability.

SDHC will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by a person with a disability.

1. Congregate Housing Lease and HAP Contract

For congregate housing, there will be a separate lease and HAP contract for each assisted family.

The payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on SDHC payment standard schedule unless there is a live-in aide. For a family residing in congregate housing in an exception area, the payment standard is the HUD-approved zero bedroom exception payment standard amount.

However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

2. Housing Quality Standards

SDHC will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

D. GROUP HOMES [24 CFR 982.610, 982.612, 982.613]

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department as a group home for elderly persons or persons with disabilities.

An elderly person or a person with a disability may reside in a state-approved group home. If approved by SDHC, a live-in aide may reside with a person with a disability.

SDHC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by a person with a disability. Except for a live-in aide, all residents of a group home must be elderly persons or a person with a disability.

SDHC will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

1. Group Home Lease and HAP Contract

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term "pro-rata portion" means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person and any SDHC approved live-in aide.

2. Group Home Rent and HAP Contract

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

The reasonable rent for a group home is determined in accordance with 24 CFR 982.507. In determining reasonable rent SDHC will consider whether sanitary facilities, and facilities for food preparation and service, are common or private facilities.

3. Maximum Subsidy

Unless there is a live-in aide, the family unit size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size or the pro-rata portion of the payment standard amount on SDHC payment standard schedule for the group home size.

4. Utility Allowance

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

5. Housing Quality Standards

SDHC will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

E. SHARED HOUSING [24 CFR 982.615, 982.616, 982.617, 982.618]

1. Occupancy

In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment. Persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit. The owner of a shared housing unit may reside in the unit.

The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family.

SDHC may approve a live-in aide to reside with a family in order to care for a person with a disability. SDHC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by, a person with a disability.

A resident owner may enter into a HAP contract with SDHC. However, housing assistance may not be paid on behalf of an owner. Resident owner cannot be related by blood or marriage to the assisted family. However, SDHC may grant exceptions in the program policies where such exceptions are needed as a reasonable accommodation for a person with a disability. There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

2. Rent and HAP Contract

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five-bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in the "Landlord Rents, Rent Reasonableness, and Payment Standards" chapter.

3. Maximum Subsidy

For a family that resides in a shared housing unit, the payment standard is the lower of the SDHC payment standard amount for the family unit size, or the pro-rata portion of the SDHC payment standard for the shared housing unit size.

If SDHC approves a live-in aide, the live-in aide will be counted in determining the family unit size.

4. Utility Allowance

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

5. Housing Quality Standards

SDHC will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

F. MANUFACTURED HOMES [24 CFR 982.620]

SDHC will permit a family to lease a manufactured home and space with assistance under the program. SDHC will provide assistance for a family that owns the manufactured home and leases only the space.

SDHC may approve a live-in aide to reside with a family to care for a person with a disability. SDHC will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by, a person with a disability. If SDHC approves a live-in aide, the live-in aide must be counted when determining the family unit size.

1. Housing Quality Standards

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. If the family owns the manufactured home, the owner of the space is responsible for correcting deficiencies related to the space and the family is responsible for all deficiencies related to the manufactured home. In addition, the manufactured home also must meet the following requirements:

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.

A tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding must securely anchor a manufactured home.

2. Manufactured Home Space Rental

Rent to owner for a manufactured home space will include payment for maintenance services that the landlord must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the landlord may charge the family a separate fee for the cost of utilities or trash collection provided by the landlord.

3. Housing Assistance Payment

The monthly Housing Assistance Payment (HAP) for a manufactured home space rental is the lower of the PHA payment standard minus the family's total tenant payment; or the rent of the manufactured home space (including other eligible housing expenses) minus the family total tenant payment. SDHC will adhere to the Housing Opportunity Through Modernization Act of 2016 (HOTMA) when conducting HAP calculation for manufactured home space rental in the Housing Choice Voucher (HCV) Program.

4. Reasonable Rent

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by SDHC. For purposes of comparability, SDHC shall use rates from Mobile Home parks in the City and County of San Diego.

SDHC will not approve a lease for a manufactured home space until SDHC has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, SDHC will re-determine that the rent is reasonable.

SDHC will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. SDHC will consider the size and location of the space and any services and maintenance provided by the landlord in accordance with the lease.

By accepting each monthly housing assistance payment from SDHC, the landlord of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the landlord for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by SDHC, the landlord must provide SDHC information on rents for other manufactured home spaces.

5. Utility Allowance

The utility allowance for manufactured homes will be the established MTW utility allowance schedule (MTW Water/ MTW No Water), based on the unit size. A separate utility allowance is required for the first 12 months of the initial lease term to account for utility hook-up charges if the family incurred the expenses because of the move, including if they were incurred prior to assistance. Families who lease in place will not qualify for a utility hook-up charges allowance.

RESERVED

SECTION 1: MOVING TO WORK - PROJECT BASED VOUCHER PRORAM

A. INTRODUCTION

Utilizing the flexibility the Moving to Work (MTW) program provides, SDHC established a Project-Based Voucher (PBV) Program that will serve the needs of San Diego's low-income residents, with a focus on the homeless population who are in need of housing, while also serving the needs of the community.

SDHC uses the following MTW flexibilities and strategies to increase housing choice in San Diego:

1. Collaborate with local developers and non-profit housing providers by creating long-term subsidies by means of project-based vouchers, in exchange for the creation of affordable housing for designated low-income populations. The provision of supportive services may be required in the PBV development.

2. Designate greater than 20% of SDHC's voucher allocation as PBV with a maximum allotment of five 5%of total vouchers authorized as PBV per year.

3. Expand the use of project-based vouchers by increasing the permissible percentage of subsidized units in a single development from 25% to 100%. The number of designated PBV units in a contract may increase outside of the initial term of the contract.

4. In conjunction with programs such as the Neighborhood Stabilization Program, SDHC may apply creative measures utilizing project-based vouchers to increase housing opportunities in vacant and foreclosed properties in the community.

5. Allow for project-specific waiting lists maintained by the owners or non-profit providers in compliance with agency standards.

6. Resident engagement in supportive services is not condition of tenancy.

The selected partners are authorized to conduct initial and on-going eligibility determinations while assisting the residents with completing paperwork and gathering verification documents. SDHC recognizes certain confidential verification sources, such as EIV, are not accessible to the partnering agencies. For this reason, SDHC will continue to generate and analyze these types of documents and reports. In such instances, the finalized packets are forwarded to SDHC staff for review, final eligibility determination, certification processing, quality control auditing, and submission of the HUD-50058.

SDHC maintains responsibility for calculating the tenant's rent portion. The rent calculation methodology utilized for PBV participants parallels the calculation used for tenant-based voucher participants including the application of rent reform activities designed under the MTW program.

B. PROJECT-BASED VOUCHER POLICY

1. Annual Review of Project-Based Voucher Program

SDHC shall review its portfolio of available vouchers each year to establish priorities for the project-based voucher program for the upcoming year and determine the number of vouchers to be issued.

SDHC shall design an appropriate allocation process consistent with the annually established priorities and total number of vouchers available for the project-based voucher program for that year.

2. Qualified Agencies

Agencies qualified to participate in the project-based voucher program must either be:

A non-profit or for-profit corporation with a mission to provide housing and/or services to low-income and/or homeless families and individuals; or

A division of city or county government mandated to provide direct service to very low-income and/or homeless families and individuals.

Note: *The competitive/non-competitive voucher award process will specify the population to be served within the development where project-based vouchers are awarded.*

3. Owner Proposal Selection

SDHC will select owner proposals through a competitive Request for Proposal (RFP) process. Specifically, the SDHC will advertise online that it will accept applications for PBV assistance. The advertisement will specify the number of PBV units that will be available.

Additionally, in accordance with regulations at 24 CFR 983.51, SDHC may select, without competition, a proposal for housing assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, and units for which competitively awarded low-income housing tax credits (LIHTCs) have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three (3) years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement. The SDHC may restrict applications to any or all housing types at its discretion. The housing types are defined below:

Existing housing: A housing unit is considered an existing unit for purposes of the PBV program, if at the time of notice of PHA selection the units *substantially comply* with HQS.

(1) Units for which rehabilitation or new construction began after owner's proposal submission but prior to execution of the AHAP do not subsequently qualify as existing housing.

(2) Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

Rehabilitated housing: Housing units that exist on the proposal selection date, but do not substantially comply with the HQS on that date, and are developed, pursuant to an Agreement between the PHA and owner, for use under the PBV program.

Newly constructed housing: Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the PBV program.

Substantially comply: Any HQS deficiencies require only *minor repairs* to correct.

Minor repairs: repairs that are minor in nature and could reasonably be expected to be completed within 48 hours of notification of the deficiency.

Manufactured Homes may be eligible if the manufactured home is permanently affixed to the permanent foundation and the owner owns the land on which the manufactured home is located.

All applications will be reviewed and evaluated based on the following criteria:

The project complies with the PBV site selection standards of § 983.57 and contributes to the geographic distribution of affordable housing throughout the City of San Diego, thus promoting de-concentration of poverty, and expanding housing and economic opportunities. The project meets the following site and neighborhood standards:

- Site is adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets are available to service the site;
- Site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.
- Site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.
- Site promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Site is accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents;
- Site is located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive.

Site is suitable for facilitating and furthering full compliance with fair housing objectives.

Proposed units fully meet federal Housing Quality Standards (HQS).

Other factors that may be considered include:

- Experience of the applicant in managing residential housing and providing supportive services.
- Whether the project provides one or more of the following supportive services aimed at assisting homeless participants re-establish permanent independent living and those services are appropriate for the target population:

    Childcare

    Job training/placement

    Case management

    Health care, mental health care or psychiatric care

    Transportation

    Employment assistance

    Education

    Vocational opportunities

    Life skills training

    Counseling, including housing counseling

    Substance abuse treatment

    Parenting skills

    Budgeting

    Housing information referrals

If services are provided, each tenant must have an Individual Service Plan (ISP) that details the specific services to be provided, their frequency and duration.

In the event the number of PBV applications exceeds the number of available vouchers, projects will be prioritized as follows unless otherwise outlined in the RFP:

Existing housing projects will be favored over new construction or rehabilitation projects.

Project provides comprehensive supportive services.

Project serves homeless families with children (2+ bedroom units).

Project serves homeless persons with disabilities.

Project serves homeless elderly persons.

Project serves homeless individuals.

Project serves non-homeless persons with disabilities.

Project serves non-homeless elderly persons.

A review panel will determine the minimum score threshold an application must receive during the evaluation process, in order to receive an allocation of Project-based vouchers.

4. Housing Commission Owned Units and Units Owned by the Housing Commission's Limited Liability Companies

Project-based units in SDHC owned properties shall adhere to the same policies and procedures described in this Chapter.

Project Selection

Project-Based assistance for SDHC-owned properties will not be competitively bid, nor will there be an approval process through HUD. Rather, SDHC can make Project-Based funding available in SDHC owned properties in response to a written request. A separate request is required per property and must include the following: name and address of the property, total number of units, requested number of Project-Based vouchers, number of vouchers requested per unit size (including square footage for SROs), proposed rent per unit size, population to be served, name of service provider and services to be provided if applicable, and name, title and contact information for the project liaison. An original signature from the Division Sr. Vice President or authorized delegate is required on the written request, E-mailed and faxed copies will not be accepted.

Unit Selection

When initially selecting units for inclusion in the Project-Based program, the project liaison must ensure all proposed units can meet the PBV requirements. Units that are currently occupied may not be submitted for inclusion in the initial HAP contract if the family in place declines the opportunity to qualify for the Project-Based program or the family is determined ineligible.

A written request may be submitted to add additional Project-Based units in the same building. These proposed units must meet all PBV requirements in order to be considered for inclusion. The approval of additional units does not alter the anniversary and expiration date of the existing HAP Contract. An addendum, listing the additional units, will be added to the existing HAP.

Project-Based Waiting List/Vacancy Referrals

At the initial lease up, the Rental Assistance Division will randomly select the appropriate number of applicant families from the established Project-Based waiting list. The SDHC will send a referral list consisting of a sufficient number of families to fill the needed vacancies. When an owner receives a referral list, they must screen and select future tenants based on their specific rental requirements.

Rent Reasonableness

Rent reasonableness for the voucher-assisted units in such complexes may be determined by comparisons to similar units in the surrounding neighborhoods, rather than within the developments.

5. Environmental Review

Project-based voucher projects may be subject to environmental review requirements. Prior to execution of an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract (if required), and a Housing Assistance Payment (HAP) Contract, the owner may be required to present evidence that the environmental review has been performed by a qualified entity or, where applicable, documentation that the project is categorically excluded from review under the National Environmental Policy Act (NEPA).

6. Designated Service Providers

Organizations and agencies awarded Project-based vouchers to assist the homeless and other specialized populations must execute a Memorandum of Understanding (MOU) with SDHC, in which the agency commits to providing specific services to their clients receiving assistance. The agency must establish a rational, fair, and auditable selection process for applicable projects. This process should be related to the goals of the project-based voucher program, which does not discriminate against any applicant on the basis of membership in a protected class, and which does not violate any SDHC conflict of interest policy. The agency must agree to periodic audits by SDHC of its selection process.

SDHC will require verification of supportive services offered to families. Participation in services is not a condition of tenancy for the families. Providers are required to attempt to reengage families who are not participating in services. SDHC will audit providers to verify that services are being offered and reengagement of services is occurring.

7. Designated Service Provider Waiting List

Non-profit and for-profit owners, who are designated by the SDHC as a service provider, may be allowed to establish their own Project-Based waiting list, with written consent from the SDHC. The waiting list is subject to requirements specified in the Housing Assistance Payment Contract and/or applicable agency/owner agreements. To qualify as a designated service provider, the nonprofit or for-profit owner must provide housing and supportive services to a specified population that could not be easily identified using the established SDHC waiting list or Coordinated Entry System. Such populations may include, but are not limited to; Victims of Domestic Violence, former Foster Care youth and/or recovering drug addicts with more than one additional disability. The SDHC will require compliance for any supportive services obligations the agency commits to in the Memorandum of Understanding (MOU) with SDHC for family's receiving assistance.

Requests to be included as a designated service provider will be reviewed on a case-by-case basis. Inclusion will be contingent upon compelling documentation showing why the SDHC maintained waiting list would not be sufficient due to the population served and the services provided.

Once approved as a designated service provider, the site-based wait list must be preapproved by the SDHC and is subject to audits as determined necessary by SDHC.

8. Coordinated Entry System (CES) System Participation

The CES system is required in PBV developments serving homeless populations.

Owners will participate in CES as established by the San Diego Regional Continuum of Care (CoC). Owner will adhere to the following criteria:

Homeless eligibility is based on HUD's Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act literally homeless (Category 1) definition and obtaining homeless verification through a third party.

Projects must utilize the CES standardized vulnerability assessment tool in the program's screening, referral and admissions processes for all participants.

Projects admissions will be prioritized based upon local standards, level of acuity and overall vulnerability determined via the common assessment tool.

Project staff will actively participate in Housing Navigation, Case Conferencing and /or other integral components of CES.

Owners will participate in Commission sponsored Provider Roundtables on a regular basis.

Additional resources and information pertaining to performance, Homeless Management Information System (HMIS), Continuum of Care and other topics relevant to Continuum of Care programs is available at www.hudexchange.info.

9. Homeless Management Information System (HMIS) Participation

Designated service provider(s) shall enter and maintain homeless client level data in the current approved HMIS as directed by the Regional Continuum of Care. The service provider(s) must obtain and report required programmatic information and data on a monthly basis. Data quality errors must be less than 10% of all program elements, listed on question 7 of the 0625 HUD Annual Progress Report (APR) available in Clarity.

In alignment with HUD, all homeless programming will adhere to Housing First principles as noted below:

Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.

Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

Source: United Stated Interagency Council on Homelessness, https://www.usich.gov/tools-for-action/housing-first-checklist.

10. Non-Designated Service Providers/ Non-Service Providers

Non-profit and for-profit owners, who are not serving homeless populations, must use the established Project Based waiting list maintained by the SDHC. Owners have the ability to refer their prospective and current tenants to the Project Based waiting list; however, owners are required to select and rent vacant contract units to eligible families selected from the waiting list.

SDHC will send a referral list consisting of a sufficient number of families to fill the needed vacancies. When an owner receives a referral list, he/she must screen and select future tenants based on their specific rental requirements.

Previous referral(s) issued for the same vacancy may be used only within a 6-month period.

11. In-Place Families

When units are initially awarded project-based assistance and the selected unit(s) is occupied, SDHC will consider these families "in-place" and be given a selection preference for the now-assisted unit. The family will be scheduled for an intake interview and given the opportunity to demonstrate eligibility for the project-based voucher.

12. Eligibility for PBV Assistance

Families selected from the waiting list to participate in the MTW project-based voucher program may attend an intake interview and complete the intake process in order to be determined eligible for the program.

A preliminary eligibility determination may be conducted on-site by the owner or designated staff according to the HAP contract and the signed agreement between SDHC and the owner. Applicants for the project-based assistance program must meet the same initial eligibility requirements as applicants for the tenant-based voucher program, unless otherwise stated in the HAP contract and/or applicable agency/owner agreements, such as the MOU. The SDHC Administrative Plan supersedes agency/owner agreements.

The head of household and all adult family members 18 years and older must sign a Statement of Family Obligations that contains all of the family responsibilities under the Housing Choice Voucher program. Failure by the family to fulfill the Statement of Family Obligations may result in the family being terminated from the project-based voucher program.

SDHC will use abundant discretion when considering eligibility criteria, including criminal history, for vouchers that are associated with homeless initiatives.

13. Ongoing Eligibility

The landlord/service provider may be required to assist participants with completing the biennial recertification process. The landlord/service provider may schedule a biennial on-site interview to assist their participants with the completion of necessary recertification forms, gathering of documents, required income and allowance verifications as stated in applicable agency/owner agreements.

Final eligibility and rent portion determinations will be completed by SDHC staff.

File audits will be conducted on regular basis for project-based voucher files.

A participant already receiving PBV assistance may not qualify for another PBV project.

14. Occupancy Standards

SDHC will apply the same Occupancy Standards in the project-based program as it uses for the tenant-based assistance program unless otherwise stated in the HAP Contract and/or addendums for the specific development.

For initial and ongoing subsidy standards, the maximum allowed number of occupants per studio is two individuals.

15. Utility Allowance

Utility Allowance calculations will be computed for project-based units in the same manner as Moving to Work tenant-based voucher calculations.

16. Inspecting Units/Rent Reasonableness

HQS inspections and Rent Reasonableness determinations will be conducted for project-based developments at initial move-in and on a biennial basis. Temporary Certificate of Occupancy (TCO), Certificate of Occupancy (COO), or signed G704 Certificate of Substantial Completion will be accepted in lieu of HQS initial inspections for new construction or rehabilitated project-based developments to allow participants to initially move-in to units.

Howeer, as part of the required evidence of project completion and compliance with local building standards, the owner/developer must submit the approved COO no later than the expiration date of the TCO (including extensions) to verify project completion. If the COO is not received timely, SDHC reserves the right to enforce owner obligations in accordance with the Housing Assistance Payment Contract, including but not limited to, the withholding of payments or the termination of the contract.

After initial move-ins, HQS Inspections and Rent Reasonableness determinations will be conducted for project-based developments on a biennial basis. HQS inspections will also be conducted upon turnover (each time a unit becomes vacant), any time SDHC is notified the unit does not meet HQS (special inspection), and for ongoing Quality Control and Quality Assurance inspections. (See Chapter 10 Housing Quality Standards, Inspections and Utility Allowances.)

Rent reasonableness determinations will be conducted when determining approval for a rent change request, when a unit is added to the contract and when development activity is completed

Abatement – Removal of Units from Contract

If SDHC abates the HAP for a unit, both the landlord and the family will be notified (See Chapter 10 Housing Quality Standards, Inspections and Utility Allowances).

The unit with deficiencies must meet HQS within 120 days of the abatement effective date or the unit with deficiencies will be removed from the HAP contract. Any family residing in a unit that does not comply with HQS will have to move if the family wishes to receive continued assistance.

Continued housing assistance may be in the form of:

- Project-based voucher assistance in the same project or in another project;
- Other project-based housing assistance (e.g., by occupancy of a public housing unit);

- Tenant-based rental assistance under the voucher program (when funding is available).

If the repairs are completed before the unit is removed from the HAP contract, the unit passes inspection, and the family resides in the unit, the HAP contract unit removal notice will be withdrawn and the abatement ended as of the date the unit is considered in pass status and the assistance on the unit will continue.

If SDHC offers the family the opportunity for another form of continued housing assistance and the family does not move out of the PBV unit, SDHC will terminate the housing assistance payments, and remove the unit from the HAP contract.

If the repairs are completed after the unit has been removed from the HAP contract, the family accepted the offer of continued assistance and the unit is vacant, an inspection is required and must pass to add the unit back to the contract.

17. Initial Contract Rent and Subsequent Rent Increase Requests

The final determination of the initial rent, regardless of the type of unit, is established at the beginning of the HAP Contract term. The maximum amount SDHC will pay per PBV unit for initial contract rent or subsequent rent increases will be the lowest of SDHC Payment Standard or rent reasonableness.

Owners may request a rent increase to correspond with the anniversary date of the HAP contract. Owners will be required to certify that all rent increases are in compliance with local, state and federal regulations and fair housing laws. Rents must meet rent reasonableness determination requirements.

18. Agreement to Enter into a Housing Assistance Payment Contract (AHAP)

References to the AHAP are applicable to all PBV awards, except awards for existing units.

Rehabilitated and newly constructed housing require an Agreement to Enter into Housing Assistance Payments Contract (AHAP) to be executed between the PHA and developer post proposal selection but prior to any construction, demolition or site preparation commence. If any construction, demolition, or site preparation commences prior to the execution of the AHAP contract, the contingent commitment of PBV becomes null and void. A subsidy layering review and environmental review must also be completed and approved prior to AHAP execution. Developers must also comply with Davis Bacon and Section 3 during construction and must receiving certification of compliance prior to HAP execution.

When a property is ready to be occupied, SDHC and the developer execute the Housing Assistance Payments (HAP) Contract. Rehabilitated and newly constructed housing must have a valid AHAP, receive Certificate of Occupancy (COO), be determined rent reasonable, pass Housing Quality Standards inspections (COO can be used in place of HQS), and follow Davis Bacon and prevailing wage requirements. For existing housing (no AHAP required), the units must pass an HQS inspection and be determined rent reasonable prior to HAP execution.

All projects awarded vouchers must comply with all PBV regulations, including, but not limited to 24 CFR 983, SDHC Section 8 Housing Choice Voucher Administrative Plan, Agreement to Enter into a Housing Assistance Payment (AHAP) Contract, Housing Assistance Payment (HAP) Contract.

19. Lease Agreement and HAP Contract

Owners will be required to use their own lease agreements along with the HUD mandated PBV Tenancy Addendum. The initial PBV HAP Contract will be issued for an initial term of up to twenty years at the discretion of the SDHC. Upon expiration of a HAP contract, the owner may be offered a renewal contract up to twenty years. The initial and renewal terms cannot exceed a total of 40 years.

PBV HAP contracts may be amended after execution upon agreement of SDHC and the owner. The anniversary and expiration dates of reinstated or substituted units must be the same as all other units under the HAP contract.

Prior to adding a unit, SDHC will inspect the unit to determine the unit complies with HQS and will conduct a rent reasonableness determination. The family must enter into an initial lease with the owner for at least one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice. The shorter lease term must be first approved by SDHC.

20. Vacancy Loss/Damage Claims

When a project-based unit becomes vacant and the Owner/Agent has submitted a timely and complete claim within 60 days from the date the tenant vacated the unit, SDHC will pay to the owner one month (up to 31 days) of Housing Assistance Payments to cover vacancy loss, provided that the owner has demonstrated good faith efforts to fill the vacant unit. The vacancy period is the beginning of the first calendar month after the move-out month for a period not exceeding one full month following the move-out month. The Housing Assistance Payment (HAP) will be the same as the previous month's HAP amount. SDHC will not make any further vacancy loss payments to the owner. SDHC will not pay the owner for any damages to the unit.

21. Exit Vouchers

If a family has participated in the Project-based voucher program for a minimum of 24 months and are in good standing with SDHC and voucher program requirements, the family may request to move from the project-based assisted unit and retain federal housing assistance under the tenant-based voucher program, if funding is available. However, no more than 35% of the tenants in any given development who are eligible to transition to a tenant-based voucher in any given calendar year (January 1 – December 31), and no more than 10% in any given month, would be allowed to be issued a tenant based voucher and move from the PBV complex. A waiting list will be maintained for those wishing to move but who exceed the threshold.

The family must submit their request for a tenant-based voucher in writing prior to vacating the PBV unit.

The family must locate a program eligible unit to which it can relocate with continued rental assistance by the expiration of the voucher term.

SDHC will provide a tenant-based voucher when funding is available. When funding is not available, the family will be given priority once vouchers become available.

Families who leave the project-based voucher program before residing in the unit for 24 months and/or do not meet the requirements or agreements of the program are not eligible for continued assistance.

22. Rent Calculation Methodology and Minimum Rent for Tenant

The Path to Success rent calculation is used in the MTW PBV program. Refer to the applicable chapters where the Path to Success calculation and minimum rents are defined. All project-based voucher families will be recertified on a biennial basis.

23. Hardship Policies

Families who present a compelling reason to move from the PBV unit and receive a tenant-based voucher prior to fulfilling the 24-month occupancy requirement will be reviewed on a case-by-case basis. The case will go before the Sr. Vice President of Rental Assistance or designee and approval to move with a tenant-based voucher may be granted. Circumstances surrounding the request to move, such as VAWA requirements, employment opportunities in other PHA jurisdictions and availability of tenant-based vouchers will be considered as part of the determination.

All Path to Success hardship policies apply.

24. Overcrowded, Under-occupied, and Accessible Units

If SDHC determines that a family is occupying a:

Wrong-size unit, or

A Unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features,

SDHC will promptly notify the family and the owner of this determination, and of the PHA's offer of continued housing assistance.

Continued housing assistance may be in the form of:

Project-based voucher assistance in an appropriate-size unit (in the same project or in another project);

Other project-based housing assistance (e.g., by occupancy of a public housing unit);

Tenant-based rental assistance under the voucher program (when funding is available).

If SDHC offers the family the opportunity to receive tenant-based rental assistance under the voucher program, SDHC must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration date of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If SDHC offers the family the opportunity for another form of continued housing assistance that is not tenant based, and the family does not accept the offer, does not move out of the PBV unit within 120 days, or both, SDHC will terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of 120 days, and remove the unit from the HAP contract.

SECTION 2: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH)

The 2008 Consolidated Appropriations Act (the Act) enacted in 12/26/07, provided millions of dollars of funding for the HUD-Veterans Affairs Supportive Housing (HUD-VASH) voucher program.

HUD awarded funding for HUD-VASH vouchers and the funding was made available to public housing agencies (PHAs) that partner with eligible VA Medical Centers (VAMC) or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs.

The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community.

Generally, the HUD-VASH HCV program will be administered in accordance with regular HCV program requirements (24 CFR Section 982) in addition to HUD-VASH Operating Requirements. However, the Act allows HUD to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-VASH voucher assistance. In 2010 SDHC received a HUD waiver to administer the HUD-VASH vouchers similarly to MTW vouchers to allow SDHC to administer VASH in a more streamlined and effective manner. Since that time, SDHC has implemented several initiatives to ease the administration and provide benefits to VASH participants while ensuring VASH protections remain.

MTW flexibilities will be used in the administration of the VASH Program to streamline processes, thus ensuring efficiency and effectiveness. Subsidies will be calculated utilizing the Traditional Housing Choice Voucher Program for Total Tenant Payment (30% of monthly adjusted income) and for allowances/deductions. See the applicable Traditional Voucher chapter.

Any adults the VASH applicant/participant requests to add to his or her household will have a modified initial requirement for criminal history: no violent or drug-related criminal activity in the two years preceding application.

There is no minimum rent for VASH participants. The family is responsible to pay any rent premium that exceeds the payment standard for contract rent plus the utility allowance.

Income garnishments that VASH participants experience may not be counted as income for the first 12 months of program participation.

To coincide with SDHC's rental assistance program administration, utility reimbursements will not be a part of the SDHC VASH program.

To coincide with SDHC's rental assistance program administration, VASH participants will be eligible for the biennial inspection cycle. The same criteria by which the general rental assistance program participants gain admission to the cycle must also be met.

VA service-connected disability benefits are excluded for purposes of determining initial income eligibility but included for purposes of calculating the total tenant payment (TTP), housing assistance payment, and family share.

The VASH program serves veterans up to the low-income limit (80% area median income AMI).

For purposes of reasonable accommodation, the VASH exception payment standards may be up to 140 percent of the published FMR or Small Area FMR. An exception payment standard must still meet the reasonable rent requirements. Payment standards greater than 140 percent of FMR as a reasonable accommodation for a person with a disability may be applied only with HUD approval.

While SDHC is required to waive some eligibility factors, all household members (including the veteran) will be held to the same standard as any other Housing Choice Voucher program participant once on the program.

SDHC will conduct a full recertification of household income, deductions, allowances, and family composition biennially. HQS Inspections are conducted on a biennial cycle.

The affordability cap for veteran families is 50% of their adjusted income.

When available, VASH Administrative funds may be used to cover the housing placement costs of eligible VASH veterans that are experiencing homelessness and meet eligibility requirements. These can include: rental application fees, security deposit assistance, and past due utility assistance.

When VASH is Project Based, contract rents may not be different based on whether the unit is a HUD-VASH PBV unit or a non-HUD-VASH PBV unit. In determining the rent to owner for the PBV project, if the cap on the amount of rent to owner under 24 CFR 9983.301(b)(1) is lower for non-HUD-VASH units that it for the HUD-VASH units, the lower cap is applicable when setting the rent to owner for the PBV units in the project, including the HUD-VASH units.

For VASH PBV, noncompetitive selection of one or more PBV projects with units made exclusively available to HUD-VASH families is permitted on the site of a Veterans Affairs facility. All other requirements of project selection must comply under 24 CFR 983.51.

VASH Project Based guidelines as contained in federal register publication FR-5976-N-03 "Housing Opportunity Through Modernization Act of 2016: Implementation of Various section 8 Voucher Provisions" and 89 FR 38224 Housing Opportunity Through Modernization Act of 2016-Housing Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes will be adhered to.

SECTION 3: SPONSOR-BASE SUBSIDIES (SBS) FOR THE HOMELESS

SDHC provides subsidies to house homeless persons while sponsor organizations provide the necessary services. A typical sponsor is an organization providing supportive services to disabled individuals and/or individuals with substance abuse issues and requires additional housing resources to serve more clients. Sponsors may be both non-profit and for-profit agencies. Developers may also qualify as a sponsor if a service provider is contracted to render appropriate supportive services.

Sponsor Selection: SDHC engages in a competitive solicitation processes to select prospective non-profit and for-profit sponsors. If the process does not solicit an adequate response, SDHC will select sponsors without a competitive process. Additionally, SDHC may award sponsor-based subsidies to SDHC-owned developments using a non-competitive process.

In the event SDHC intends to serve a highly specialized population wherein only one service provider possesses the capability, expertise, and resources to serve the target population, SDHC may award sponsor-based subsidies without a competitive process.

Populations Served: The program serves homeless populations, and other designated populations as determined by SDHC. Subsidies will also be used to create assisted living housing for individuals/families requiring direct medical care or recently released from a medical institution.

Waiting Lists: Utilization of the Coordinated Entry System (CES) is required for homeless populations, when applicable. SBS programs identified by SDHC and the Regional Task Force on Homelessness (RTFH) will be required to provide, in lieu of a CES match, proof of program enrollment in clarity. With SDHC permission, a sponsor agency may create and maintain a site-based waiting list under unique circumstances to serve specialized populations.

Inspections: SDHC conducts biennial Housing Quality Standards (HQS) inspections for each unit leased by a SBS program participant and contract rents are subject to a rent reasonableness.

Administration: Sponsors provide program administration, including all eligibility and income determinations, rent calculations, interim and biennial certifications. Generally, the rent calculation method uses 28.5 percent of gross monthly income to generate the client's rent portion and resulting subsidy payment. A minimum rent of $25 applies to the program. As determined appropriate, SDHC may apply the Path to Success calculation to ensure work-able participants are incentivized to progress towards self-sufficiency.

When a subsidy provides rental assistance for an individual bed rather than a unit, the maximum assistance for the bed will be determined according to the unit size, number of participants, and rent reasonableness determinations. The overall per bed subsidy in a given unit will not exceed the current SDHC payment standards for the unit size.

The sponsors will be required to create a program plan adhering to mandatory SDHC voucher policies, defining eligibility factors, leasing requirements, and termination policies and procedures where they have discretion to create policies for the voucher program and is subject to SCHC approval prior to implementation. An executed Memorandum of Understanding will also be required. Sponsors will develop written service protocols and define methods of client management. Program Plans and written

service protocols must be updated on an regular basis to align with SDHC mandatory voucher policies. A written service plan will be maintained for each participant in the SBS program.

Unit and Development Structures: Sponsor-based subsidies allow the rental assistance to be attached to a sponsoring agency. In the SBS program, the sponsor may utilize a tenant-based or project-based approach. A sponsor may also utilize sponsor-owned units for purposes of the program. Master leasing units within a development remains an option.

Monitoring: SDHC provides program oversight and evaluation and monitors the sponsor for compliance with program requirements. SDHC may conduct audits of the Coordinated Entry System (CES) utilization or waitlists, HMIS participation, rent calculation, tenant files, the administration of supportive service requirements, compliance with mandatory SDHC voucher policies, and any other items as determined necessary by SDHC. The sponsor must maintain a minimum of 90% utilization rate) or may be subject to subsidy reductions.

As directed by the Regional Task Force on the Homeless, Sponsors shall enter and maintain homeless client level data in the current approved Homeless Management Information System (HMIS). Owner must obtain and report required programmatic information and data on a monthly basis, or as requested by SDHC.

Per HUD requirement, Sponsor must ensure data entered into HMIS must be complete and must have an accuracy rate of at least 90%.

The sponsor utilizes HMIS to manage the clients' case management. Each sponsor is required to submit annual written reports detailing the progression of their program as well as pertinent client data required to issue the appropriate subsidy amounts. A report template will be provided by SDHC to the sponsoring agencies.

SECTION 4: FAMILY UNIFICATION PROGRAM (FUP)

In 1990, Congress authorized the Family Unification Program (FUP). This program was established when the lack of adequate housing emerged as a critical factor in the out-of-home placement of children. The intent of the program is to provide timely housing voucher assistance for reunifying families, for families whose children are at risk of out-of-home placement due to inadequate housing, and for youth(s) that are at least 18 years of age and not more than 24 years of age who left foster care, or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless.. It is administered by collaborating housing agencies and Child Welfare Services (CWS), FUP provides CWS families with Housing Choice Voucher rental assistance.

SDHC received Federal Grants providing for housing vouchers for families at risk of their children entering out-of-home care or reunifying families and for youth that are between the ages of 18 and 24 who left foster care, will leave foster care within 180 days and are homeless or at-risk of becoming homeless. A Memorandum of Understanding was executed between SDHC and the County of San Diego, Health and Human Services Agency Child and Family Well-Being (CFWB)and the Regional Task Force of Homelessness. SDHC, upon receipt of a FUP referral(s), must compare the name(s) with families

and youth already on the PHA's HCV waiting list. Any family or youth on the PHA's HCV waiting list that matches with the CFWB referral must be assisted in order of their position on the waiting list in accordance with PHA admission policies. Any family or youth certified by CFWB as eligible and not on the HCV waiting list must be placed on the wait list.

FUP vouchers are administered in accordance with the prescribed operating requirements (24 CFR Section 982) and are not eligible for fungibility under a PHA's MTW agreement. Additionally, as specifically required by the Appropriations Act, upon turnover, a voucher issued to a FUP eligible family must be re-issued to another FUP eligible family.

Once the family receives a FUP Voucher, terminations may occur because of the family's action or failure to act. The family will not be terminated if the child(ren) is not returned. See "Terminations and Program Integrity Unit" chapter for additional information about reviews and hearings.

The Path to Success rent calculation is used in the FUP program. Refer to the applicable chapters where the Path to Success rent calculation and minimum rents are defined. All FUP families will be recertified and HQS inspections will be conducted on a biennial basis.

Youths:

In 2020, SDHC was awarded an allocation of Family Unification Program Vouchers designated for youths between the ages of 18 and not more than 24 years of age and who have left foster care, or will leave foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless.

Referrals are received from Child and Family Well-Being (CFWB)).

Program Limit: These vouchers are to be used for a period not to exceed 36 months.

Program Extension: FUP Youth who first leased a unit after the date of the enactment of the Fostering Stable Housing Opportunities Act (FSHO) may be eligible to receive an extension of the 36-month time limit of assistance for up to an additional 24 months (for a total of 60 months of voucher assistance) if they meet HUD established requirements.

The Path to Success rent calculation is used in the FUP Youth program. Refer to the applicable chapters where the Path to Success rent calculation and minimum rents are defined. All FUP Youth families will be recertified and HQS inspections will be conducted on a biennial basis.

The residency preference does not apply to FUP voucher applicants.

The initial term of the voucher will be for a minimum of 120 days and is based on available funding and the rental housing market at the time.

This includes current FUP participants who are moving with continued assistance or outside the PHA's jurisdiction.

Extensions:

- Extension requests will be approved for a minimum of 90 days.

- Extensions request should be made on or before the term expiration date be consistent with applicable requirements
- The voucher extension will be based on the availability of funding. If there is not sufficient funding to extend the voucher, the family will not be granted an extension.

Families:

FUP families may be exempt from the increase in household composition subsidy standards and may be eligible for a restoration of previous voucher size. This exemption and voucher size restoration will only be considered in cases where the voucher size has decreased due to children being removed from the household and at a later time the children are returned to the household and an increase in voucher size is required for the family to be unified once again.

SECTION 5: FOSTER YOUTH TO INDEPENDENCE (FYI)

The Foster Youth to Independence (FYI) Initiative provides Housing Choice Voucher (HCV) assistance to youth with a history of foster care involvement and who are experiencing or at risk of experiencing homelessness. Similar to the Family Unification Program (FUP) vouchers for youth, the FYI Initiative carries a 36-month limit, with an option to extend the rental assistance an additional 24 months if the FYI participant meets the extension eligibility criteria set by HUD. FYI requires a partnership between the issuing PHA and the local public child welfare agency (PCWA). The PCWA refers potentially eligible youth who have been involved in the foster care system to the program and is responsible for providing or securing the provision of supportive services for participating youth during the term of their program participation. Once youth are identified by PCWAs and referred to their partnering PHAs, the PHAs screen for HCV eligibility.

A Memorandum of Understanding was executed between SDHC and the County of San Diego, Health and Human Services Agency Child and Family Well-Being (CFWB)and the Regional Task Force of Homelessness. SDHC, upon receipt of a FYI referral(s), must compare the name(s) with youth already on the PHA's HCV waiting list. Any youth on the PHA's HCV waiting list that matches with the CFWB referral must be assisted in order of their position on the waiting list in accordance with PHA admission policies. Any youth certified by CFWB as eligible and not on the HCV waiting list must be placed on the wait list.

The Path to Success rent calculation is used in the FYI program. Refer to the applicable chapters where the Path to Success rent calculation and minimum rents are defined. All FUP families will be recertified and HQS inspections will be conducted on a biennial basis.

Referrals are received from Child and Family Well-Being (CFWB)

The residency preference does not apply to FYI voucher applicants.

The initial term of the voucher will be for a minimum of 120 days and is based on available funding and the rental housing market at the time.

This includes current FYI participants who are moving with continued assistance or outside the PHA's jurisdiction.

Extensions:

- Extension requests will be approved for a minimum of 90 days.
- Extensions request should be made on or before the term expiration date be consistent with applicable requirements
- The voucher extension will be based on the availability of funding. If there is not sufficient funding to extend the voucher, the family will not be granted an extension.

Program Limit: These vouchers are to be used for a period not to exceed 36 months.

Program Extension: FYI participants who first leased a unit after the date of the enactment of the Fostering Stable Housing Opportunities Act (FSHO) may be eligible to receive an extension of the 36-month time limit of assistance for up to an additional 24 months (for a total of 60 months of voucher assistance) if they meet HUD established requirements. SDHC will review participant eligibility for subsidy extension by the end of the 24-month and 48-month time periods based on the biennial recertification cycle

SECTION 6: NON-ELDERLY PERSONS WITH DISABILITIES VOUCHERS (NED) [24 CFR PART 982]

Non-Elderly with Disabilities (NED) Vouchers enable non-elderly disabled families to lease affordable private housing of their choice. NED vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Only income eligible families whose head of household, spouse or co-head is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible. The NED HUD award to SDHC was limited to zero and one bedroom vouchers.

NED vouchers utilize the flexibilities of the Moving to Work program, including the Path to Success rent calculation. See applicable MTW chapters.

NED families will be recertified on a biennial cycle. HQS Inspections will be conducted on a biennial cycle.

SECTION 7: TRANSITIONAL PROJECT BASED SUBSIDIES FOR THE HOMELESS

The Transitional Project Based Subsidies for the Homeless program will be a short-term, transitional housing program using flat-subsidy project-based subsidy paired with supportive services, offered by the selected provider agency.

Waiting Lists: The service-providing agency will utilize the CES, a referral system, or create and maintain a site-based waiting list, which will comply with Fair Housing Laws. SDHC will audit this list to ensure compliance. Program participants will be encouraged to apply for and remain on SDHC tenant-based waiting list in order to transfer to the tenant based voucher program.

Inspections: The units will be required to pass a modified HQS inspection. All units will be inspected annually or biennially depending on the condition of the project.

Administration: Auditing will be conducted by SDHC. SDHC may provide training, including working with the supportive services agency staff to conduct a streamlined intake process, collecting vital information and documents for the purposes of verifying identification, homelessness status, and modified criminal history requirements, to ensure all requirements are met. The intake and exit information will be provided to SDHC who will maintain vital data on each unit and its occupants to provide to HUD. The supportive service agency will also be required to submit annual reports to SDHC with information on occupancy per unit and program participation. The report template will be provided by SDHC to the partner agency.

Partner Selection: Project based subsidy for these programs will be awarded on a competitive basis. The exception will be if the program is housed in an SDHC-owned development, in which case the subsidy will be awarded non-competitively, per a prior HUD-approved MTW activity.

Program Plan: Each partner agency will be required to create a program plan containing the program requirements such as minimum occupancy requirements to receive subsidy. Refer to the HUD-approved Fiscal Year 2013 MTW Annual Plan for a comprehensive program description.

SECTION 8: GUARDIAN SCHOLARS PROGRAM

The Guardian Scholars Program at San Diego State University (SDSU) provides resources to students either exiting the foster care system, under legal guardianship, designated as wards of the court, or unaccompanied homeless youth. The Educational Opportunity Program (EOP) operated on the SDSU campus provides the Guardian Scholars with an array of resources in an effort to support the students and ensure academic success. As a component of the program, Guardian Scholars reside in campus-supported housing during and between semesters. The holistic approach removes barriers for a historically underserved population and increases the probability of completing post-secondary education. Currently, the program has a 95% graduation success rate.

The Guardian Scholars Program ensures an affordable education is accessible for the participating students. Using a Federal formula, a student's education is funded according to tiers: Financial aid and government grants are applied to the student's expenses, first funding the tuition, fees, books, meal plans, and finally the campus housing. Often, the funding resources are exhausted before the housing component is subsidized. The result is the student must rely on loans to fund the housing. The Guardian Scholars Program is in part supported through philanthropy to assist with reducing the student's reliance on loans, but a funding gap exists despite significant philanthropic support.

Housing subsidies issued by SDHC provide the financial support necessary for closing the funding gap for the student's housing expense. On an annual basis, SDHC provides $200,000 to SDSU to fund the housing component of the Guardian Scholars Program. In addition, SDHC provides a dollar for dollar match to funds raised by SDSU through philanthropy, up to a maximum of $400,000, to further assist

with funding the student's housing elements. MTW funds will be applied to the housing component only after SDSU has calculated the funding gap for each student.

Administration: SDSU maintains the administrative functions for determining initial and on-going programmatic eligibility. SDHC documents a student's income levels upon admission into the program and certifies income levels biennially using a streamlined process. Full recertification of income are not conducted.

For purposes of initial eligibility, criminal history are not reviewed with the exception of sex offender status. Federal and/or state registration as a sex offender precludes individuals from participating in the program.

Participants are not eligible for a tenant-based voucher upon termination of program participation.

Inspections: Modified HQS Inspections are conducted at program implementation and on a biennial basis.

Application process: Prospective Guardian Scholars must apply for admission into the program and are subject to an eligibility process prescribed by SDSU before securing acceptance into the program. The current application process serves as the waitlist component of the program since applications are evaluated according to a predetermined method.

SECTION 9: THE MONARCH SCHOOL PROJECT

The Monarch School Project and SDHC partner to offer affordable housing solutions to families with school-aged children attending Monarch School. SDHC provides a monthly housing subsidy while families engage in supportive services activities. Parents are encouraged to engage in supportive services and work-readiness services through programs offered by Monarch, assigned service provider and the Achievement Academy while contributing to the children's academic development and progress. Family contributions may include maintaining acceptable levels of attendance. Examples of supportive services offered include but are not limited to:

Broad range of health and social and supportive services promoting wellness

Case management services - includes brokerage, linkage and support accessing services in the community such as, primary health care, behavioral health services, substance abuse services, food resources, employment services and benefits

Assistance with accessing and completing all necessary paperwork and requirements for SDHC subsidy application and re-certification

Assistance with location of housing units and outreach to community landlords

Assistance with landlord and tenant relations

Assistance to ensure clients maintain their housing placement and subsidy

Work readiness

Job training and recruitment

Financial literacy

Parent effectiveness training and support groups

Administration: SDHC staff will determine eligibility, perform the subsidy calculations, process recertifications and interims.

Interest List: Monarch families interested in program participation must complete and submit an interest form to Monarch School. The Regional Task Force on the Homeless (RTFH) prioritizes the interest list in accordance with the eligibility matrix criteria provided to the Coordinated Entry System.

All participating families are entered into HMIS by Monarch School. The RTFH completes the prioritization process and matches a family to a Monarch subsidy when there is a vacancy. Once an application is received, the service provider gathers all required information/documents from the family to determine eligibility.

Eligibility Determination and Subsidy Calculation Methodology: The Monarch School Project provides rental assistance to homeless families on the condition that at least one minor (defined as ages 4 to 19) is attending Monarch School at the time of initial admission. Subsidies are calculated at 28.5% of monthly income amounts and the applicable payment standards. A minimum rent of $25 applies to the program. Assets, deductions, expenses, and allowances, including the utility allowance, are not considered for purposes of calculating the subsidy. The initial subsidy is determined at program entry and re-determined biennially until the conclusion of program participation. SDHC provides initial monetary assistance, such as security deposits, to ensure families successfully lease a unit upon program admission. The assistance is in the form of a no-interest loan with low monthly repayments.

For purposes of initial eligibility, criminal history is not reviewed with the exception of sex offender status and manufacturing methamphetamines within federally funded properties. Federal and/or state registration as a sex offender precludes individuals from participating in the program. Participants are required to apply to the HCV tenant-based waitlist upon program admission. Participants do not automatically become eligible for a tenant-based voucher upon termination of program participation and must proceed through the waitlist process to obtain a Section 8 Housing Choice Voucher

If the family wishes to move within SDHC's jurisdiction and to a different school district, the family must engage with Monarch School case Manager to determine the appropriateness of transferring schools prior to the move and transfer.

Participation in the Monarch program shall continue until such time as the assistance payment amounts to zero for a period of six consecutive months. At that time, the family will no longer be eligible, and the HAP will be terminated. However, should the family go to zero HAP, for 180 consecutive days, SDHC reserves the right to extend the period past 180 days, should there be documented extenuating circumstances for an extension to the time period. Such documented extenuating circumstance include but is not limited to:

-Death in the family

-Loss of employment or income due to no fault of the family; and/or
-Documentation of a medical or financial hardship beyond the control of the family for a member of the assisted household

SDHC may deny assistance to applicants, or proposed additions to the family, and terminate assistance for participants for violations of any of the family responsibilities.

Transition Plan: When the last remaining child of the family has completed 12th grade and/or is no longer attending school continuously, The assigned service provider will conduct an evaluation to determine the need and appropriateness of future rental assistance and supportive services that best meets the family's needs. Should the family need continued rental assistance, SDHC may provide housing subsidy and facilitate appropriate resources to meet the family's needs. Continued rental assistance is also dependent on SDHC funding.

Recertifications: Monarch families will be recertified on a biennial basis.

HQS Inspections: Inspections are conducted at program admission and biennially thereafter.

SECTION 10: LOCAL NON-TRADITIONAL ACTIVITIES IMPLEMENTED UNDER MTW

In an effort to increase affordable housing opportunities, SDHC may provide funds to acquire, renovate and/or build units that are not Public Housing or Housing Choice Voucher units. SDHC may also develop Rental Subsidy Programs designed to address local needs like homeless/transitional housing programs. For local non- traditional activities, SDHC will biennially review compliance that eligible families are at or below 80% of AMI. SDHC will also monitor that the property is safe, decent, sanitary, and in good repair based on SDHC inspection protocol.

SECTION 11: THE MOVING ON PROGRAM

SDHC implemented the Moving On Program, a local, non-traditional program intended to serve formerly homeless persons transitioning out of permanent supportive housing who no longer require intensive supportive services to maintain housing stability. The Moving On Program initiative supports tenants who are successful in their recovery to live more independently using a Federal subsidy while accessing community-based resources, as needed. Additionally, the program frees up valuable permanent supportive housing and services for vulnerable homeless individuals in need of these resources.

Program Admission Process: SDHC will partner with local non-profits and other agencies to administer the program. Collaborators in this endeavor may include local agencies such as the County of San Diego Behavioral Health Services (BHS), and other agencies providing supportive services. However, any agency utilizing the Coordinated Entry System (CES) model to provide appropriate supportive services and housing to homeless persons may provide referrals for purposes of the Moving On Program. SDHC will seek guidance from San Diego's Regional Continuum

of Care Council (RCCC) during the primary stages of implementation to ensure the program aligns with the region's efforts.

The Moving On waitlist will utilize date, time, and a Moving On preference as selection criteria for program applicants. To ensure eligibility for the Moving On preference, the partnering agency must assess candidates and provide referrals to SDHC for placement onto the Moving On waitlist with the Moving On preference selected. The candidate will also be required to apply to the Housing Choice Voucher waitlist at this time.

The assessment process will require utilization of a common assessment tool by the partner to ensure viable candidates are identified for the program. As Moving On subsidies become available, applicants are selected from the Moving On waitlist according to the date and time of the referral as well as the Moving On preference. The initial eligibility process requires verification of meeting the Moving On criterion. Applicants for whom the Moving On verification cannot be obtained will be denied eligibility. SDHC encourages case managers to assist with eligibility activities to ensure compliance with the process.

Administration: The waitlist selection, initial/ongoing eligibility, and termination processes are administered similar to Housing Choice Voucher requirements. For purposes of initial eligibility, reduced criminal history requirements will be applied. MTW flexibilities will be applied to Moving On subsidies.

Subsidy Calculation and Administration: MTW flexibilities will be used in the administration of the Moving On Program to streamline processes, thus ensuring efficiency and effectiveness. Subsidies will be calculated according to the Path to the Success rent calculation, MTW activity 2012-1. Rent reasonableness regulations, SDHC subsidy standard policies, and SDHC payment standards will be applied to the Moving On program with applicable MTW flexibilities enacted.

Since move-in costs oftentimes serve as a barrier to prospective participants of the Moving On program, SDHC may elect to provide funds to assist with moving expenses such as utility deposits, security deposits, first month's rent, etc.

Biennial Recertifications: Moving On families will be recertified on a biennial basis.

HQS Inspections: Inspections will be conducted at new admission and biennially thereafter.

Supportive Services: Although participants of the Moving On program have demonstrated the ability to maintain stable housing, the stresses related to a transition into the Moving On program may cause a certain degree of relapse. For this reason, SDHC will require community providers to offer an appropriate level of supportive services through the transition and ongoing, as necessary, until stability is ensured. The service provider will remain available to the participant for the duration of the program in the event of a full or partial relapse. The service provider will also be available to provide referrals to community resources to further ensure recovery and stabilization. Moving On participants will have access to SDHC's Achievement Academy, but participation in Achievement Academy activities is not mandatory. The Achievement Academy provides an array of work-readiness services, such as job placement and counseling, to ensure motivated rental assistance participants are able to obtain employment and increase financial serf-reliance.

SECTION 12: MAINSTREAM VOUCHERS

The Mainstream Voucher Program provides tenant based vouchers for low-income households that include a non-elderly person with disabilities. SDHC Mainstream Voucher program provides vouchers to homeless and low-income families that include a non-elderly person with a disability between the ages of 18 - 61. The non-elderly person with a disability can be any household member.

Administration: Applicants for the Mainstream Voucher Program must be selected from the PHA's tenant based waiting list.

MTW flexibilities will be used in the administration of the Mainstream Voucher Program. Subsidies will be calculated according to the Path to the Success rent calculation. Rent reasonableness regulations, SDHC subsidy standard policies, and SDHC payment standards will be applied to the Mainstream Voucher program with applicable MTW flexibilities enacted.

The residency preference does not apply to Mainstream voucher applicants.

The initial term of the voucher will be for a minimum of 120 days and is based on available funding and the rental housing market at the time.

This includes current Mainstream participants who are moving with continued assistance or outside the PHA's jurisdiction.

Extensions:

- Extension requests will be approved for a minimum of 90 days.
- Extensions request should be made on or before the term expiration date be consistent with applicable requirements
- The voucher extension will be based on the availability of funding. If there is not sufficient funding to extend the voucher, the family will not be granted an extension.

All Mainstream Voucher participants will be recertified on a biennial basis.

HQS inspections are conducted on a biennial cycle.

SECTION 13: EMERGENCY HOUSING VOUCHER (EHV) PROGRAM

A. INTRODUCTION

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The ARPA provided trillions in relief funds to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. Section 3202 of the ARPA appropriated $5 billion for new incremental emergency housing vouchers (EHVs) and the renewal of the EHVs.

The EHVs are to assist individuals and families who are: experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; and recently homeless and for whom providing rental assistance will prevent the family's homelessness or having a high risk of housing instability.

Generally, the EHV program will be administered in accordance with regular housing choice voucher (HCV) program requirements (24 CFR Section 982). However, the Act allows the U.S. Department of Housing and Urban Development (HUD) to waive or specify alternative requirements for any provision of any statute or regulation that HUD administers in connection with this program in order to effectively deliver and administer HUD-EHV voucher assistance. These flexibilities and policies governing the administration of the EHV program are included in this Chapter.

B. EMERGENCY HOUSING VOUCHER POLICY

1. Target Population

In order to be eligible for an EHV, an individual or family must meet one of four eligibility categories, as defined by HUD:

- Homeless
- At risk of homelessness
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having a high risk of housing instability

2. Violence Against Women Act (VAWA)

SDHC may utilize an EHV to facilitate an emergency transfer in accordance with VAWA. If an EHV is available at the time a Section 8 HCV household is a victim and requests an emergency transfer, SDHC may issue an EHV instead of an HCV move voucher or project based voucher (PBV) unit transfer. The victim must follow the procedures outlined in SDHC's Emergency Transfer Plan including compliance with documentation requirements.

3. Referrals

SDHC will accept referrals for the EHV program from the local Continuum of Care (CoC), the Regional Task Force on Homelessness (RTFH), through the Coordinated Entry System (CES) and from other identified partnering organizations.

SDHC will execute a Memorandum of Understanding (MOU) with its partnering CoC, RTFH, to establish a collaboration for referrals and to delineate the roles and responsibilities of SDHC and the CoC, including, but not limited to, the CoC making direct referrals of families to SDHC through the CES.

HUD waived §982.204(a) which requires that, with the exception of special admissions, participants be selected from the PHA waiting list in accordance with the PHA's admissions policies. SDHC's HCV waiting list will not be utilized, and direct referrals for EHVs will not be added to SDHC's regular HCV waiting list.

4. Housing Placement Services

SDHC may provide up to $3,500 per household in housing placement services and fees for initial leasing, while funding is available, for the following services:

- Housing search assistance
- Security deposit assistance
- Utility deposit assistance
- Rental application fees

EHV households are eligible to receive housing placement services through SDHC's Landlord Engagement and Assistance Program (LEAP).

5. Supportive Services

Funding for ongoing supportive services were not provided for EHVs by HUD. Communities are encouraged to work with local stakeholders that have a vested interest in supporting services for vulnerable populations.

Because EHVs serve vulnerable populations, SDHC has determined that it is vital to ensure that households referred to EHV also have access to supportive services to foster housing placement and continued stability. To best serve clients and promote housing stability, SDHC will prioritize applicants who are already connected to services in the community.

SDHC has partnered with community organizations to provide supportive services to EHV households based on level of need. Supportive services will be provided to EHV households based the participation from community service providers and available service slots.

6. Waivers and Alternative Requirements

These waivers and alternative requirements have been determined by HUD to be necessary to expedite and facilitate the use of the EHV funding.

i. Restrictions on Denial of Assistance to an EHV Applicant

HUD waived §982.552 and §982.553 in part and established an alternative requirement with respect to mandatory and permissive prohibitions of admissions for EHV applicants.

SDHC will only screen EHV applicants for the following mandatory prohibitions:

1. If any household member has ever been convicted of drug-related criminal activity for manufacturing or production of methamphetamine on the premises of federally assisted housing.
2. If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

SDHC will not deny assistance to applicants who have been evicted from federally assisted housing, applicants adversely terminated by any public housing authority (PHA) or applicants who owe monies to any PHA.

SDHC will still deny admission to the program if any member of the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR part 5 as required by 982.552(b)(3).

ii. No Residence Preference

HUD is waiving § 982.207(b) and establishing an alternative requirement under which a PHA may not apply any residency preference to EHV applicants.

The emergency nature of the EHVs, the fact that many individuals and families in the targeted populations may not necessarily qualify as a "resident" due to their housing circumstances, and the direct referral/coordinated entry aspect of EHV administration, HUD has determined it is not appropriate to apply residency preferences for EHV admission.

As such, SDHC will not require proof of residence within the City of San Diego at the time of referral/admission. However, at initial lease up, the voucher holder must lease a unit within SDHC's jurisdiction unless they request to exercise portability. EHVs will follow HCV port guidelines.

iii. Income Verification at Admissions

HUD waived the third-party income verification requirements for EHV applicants and is allowing PHAs to consider self-certification as the highest form of income verification at admission if other verification is unavailable.

At admission, SDHC will require income verification to determine eligibility. If verification of income is not available, SDHC may accept delayed receipt of documentation, third party verification, or, under extenuating circumstances, a self-certification in order to provide flexibility, mitigate barriers to housing, and avoid delaying the family's assistance.

Once HUD makes Enterprise Income Verification (EIV) data available, the PHA will review the EIV Income and Income Validation Tool (IVT) Reports, maintain copies of the reports, and resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

iv. Use of Recently Conducted Initial Income Determinations and Verifications at Admission

SDHC will accept alternative income calculations and verifications from other subsidized housing programs within 180 days of intake in lieu of conducting an initial examination of income as long as the income was (1) calculated in accordance with rules outlined at 24 CFR Part 5 and within

the last six months and (2) the family certifies there has been no change in income or family composition in the interim.

Examples of verifications from other subsidized housing programs include, but are not limited to (1) those for recently homeless families who are currently residing in rapid rehousing or are receiving other time-limited housing assistance and (2) for families eligible for EHV assistance as victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking that may be currently assisted through other subsidized housing programs such as public housing.

v. Eligibility Determination: Social Security Number & Citizenship Verification

HUD waived the requirement to obtain and verify SSN documentation and documentation evidencing eligible noncitizen status before admitting the family to the EHV program.

At admission, SDHC may accept self-certification of social security number documentation and citizenship verification from EHV applicants who are unable to provide the required documentation during the initial eligibility determination. SDHC may accept self-certifications in order to provide flexibility, mitigate barriers to housing, and avoid delaying the family's assistance. Participant must provide the required verification documentation within 180 days of admission.

SDHC may accept self-certifications of date of birth and disability status if a higher level of verification documentation is not immediately available. However, if self-certification is used, SDHC must obtain a higher level of verification within 90 days of admission or verify the information in EIV

vi. Inapplicability of Income Targeting Requirements

The income targeting requirements of section 16(b) of the United States Housing Act of 1937 and §982.201(b)(2) are waived by HUD and do not apply for EHV families. PHAs can effectively serve individuals and families in all the eligibility categories who may be at a variety of eligible income levels.

SDHC will determine income eligibility for EHV families in accordance with §982.201 but will waive income targeting requirements as permitted by HUD.

vii. Initial Voucher Search Term

The initial voucher search term will be 120 days.

viii. Portability

HUD waived the restriction that a non-resident applicant does not have any right to portability during the 12-month period from when the family is admitted to the program in order to allow all EHV families to immediately move under portability.

Following the HUD waiver, SDHC will not restrict an EHV family from exercising portability because they are a non-resident applicant.

ix. MTW Flexibilities

SDHC will administer EHVs in accordance with the HCV programmatic flexibilities approved under SDHC's Annual MTW Plan and HUD guidelines.

a) Payment Standard

SDHC will establish a separate payment standard for EHV. SDHC will utilize the current Veterans Affairs Supportive Housing (VASH) payment standard.

b) Rent Calculation

Subsidies will be calculated utilizing the Traditional Housing Choice Voucher Program for Total Tenant Payment and for allowances/deductions. See applicable Traditional Voucher chapter.

c) Recertification

SDHC will conduct a full recertification of household income, deductions, allowances, and family composition biennially.

d) Housing Quality Standards (HQS) Inspection

HQS inspections will be conducted on a biennial cycle.

7. Inapplicability of Project-Based Voucher Assistance

SDHC will not project-based EHVs but will administer these vouchers exclusively as tenant-based vouchers.

8. Turnover EHV

SDHC will not issue turnover vouchers, and may not reissue an EHV when assistance for an assisted family ends, after September 30, 2023.

Currently, the funds appropriated for the EHV program are available for obligation by HUD until September 30, 2030 and will be cancelled as a matter of law on September 30, 2035. If funding is no longer available while there are families still utilizing the EHV, then SDHC will seek alternative housing resources, if funding is available, for remaining participants. SDHC will abide by HUD regulations for program termination requirements if funding is discontinued and alternative funding is not identified or available.

SECTION 14: HOMELESS DEFINITIONS

SDHC will use HUD's definition of Literally Homeless (Category1):

1) An individual or family who lacks a fixed, regular, and adequate nighttime residence; meaning:

a) Has a primary nighttime residence that is a public or private place not meant for human habitation;

b) Is living in a 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 and local government programs); or

c) Is exiting an institution where (s)he has 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

"At Risk of Homelessness" means:

1) Households with incomes at or below the greater of 20% of State Median Income (SMI) or Area Median Income (AMI) with no rental subsidy available to the household; or

2) Households with incomes above 20% but not exceeding 30% of the greater SMI or AMI who:

a) Face immediate eviction and have been unable to identify a subsequent residence; or

b) Face imminent release from an institution (i.e.; jail, hospital or foster care system) where other housing placement resources are not available; or

c) Reside in an overcrowded setting (more than two persons per living/sleeping area) in which the household does not hold a lease; or

d) Reside in substandard housing subject to a current official vacation notice; or

e) Pay more than 50% of income in housing costs

Homeless applicants who meet the criteria described above must provide certification of homeless status from a public or private facility that provides shelter for such households, or from the local police department, or any social service agency that provides services for homeless people.

Applicants who are homeless due to residing in a transitional housing program must provide a letter from the transitional program's sponsoring agency documenting the applicant's participation and readiness to maintain an independent tenancy.

Note: At risk of homelessness served through authorized non-traditional Moving to Work Programs.

"Chronically Homeless" means:

1) A "homeless individual with a disability" as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act, who:

a) Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and

b) Has been homeless and living as described in paragraph (1)(a) of this definition continuously for at least 12 months or on at least four separate occasions in the last three years, as long as the combined occasions equal at least 12 months and each break

in homelessness separating the occasions included at least seven consecutive nights of not living as described in paragraph (1)(a). Stays in institutional care facilities for fewer than 90 days will not constitute a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;

2) An individual who has been residing in an institutional care facility for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or

3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraphs (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

A literally Homeless Veteran is:

1) An individual or family who meets HUD's definition of literally homeless (Category1) and

2) Is a person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.

SECTION 15: ELIGIBILITY AND LEASING EXCEPTIONS

1. Verification of legal Identity (ID, DOB)
   a. SDHC will allow photocopies of acceptable documentation and alternative verification including self-certification for household members who are unable to provide evidence of their legal identity (ID, DOB).
   b. The participant must provide the required documentation within 90 days of admission to be eligible for continued assistance unless the PHA provides an extension based on evidence from the family or confirmation from partnering agency that the family has made a good faith effort to obtain documentation.

2 Income Verification 24 CFR 5.240(c)
   a. SDHC may accept self-certification of income and/or expenses without notarization for unhoused applicant family that is unable to provide or if the existing income verification hierarchy is unavailable.
   b. SDHC will run the EIV report within 120 days of the Inventory Management System Public and Indian Housing Information Center (IMS/PIC) submission date and maintain copies of the EIV Income and ITV Reports in the tenant file. The tenant self-certification will be used in conjunction with EIV. SDHC will take steps to identify and resolve any income discrepancies within 60 days of the EIV Income or IVT Report dates, including updating the family's income retroactive to the New Admission, correcting any overpayment or underpayments or termination if an ineligible family received assistance.

3 Additional Flexibilities for Permanent Supportive Housing (PSH) Programs to Expedite Eligibility and Leasing
   a. SDHC will allow an applicant to complete a tenant briefing within 30 days of the move-in. The applicant must complete the required tenant briefing within 30 days of move in to be

eligible for continued assistance. SDHC will take action to terminate assistance if this requirement is not met.

RESERVED

A. INTRODUCTION

The following Action Plan describes the policies and procedures for operating SDHC's Family Self-Sufficiency (FSS) Program. These policies adhere to the regulations set forth by the U.S. Department of Housing and Urban Development (HUD) and SDHC's Moving To Work policies for administering the FSS Program.

Since its inception, SDHC's FSS Program has expanded to encompass career development services and resources as core components of the FSS Program for families receiving Housing Choice Voucher assistance in the city of San Diego. Families who reside at Public Housing properties in the city of San Diego will be eligible to participate. This leveraged approach integrates resources and services that promote economic stability including, but not limited to, financial education and planning, credit repair, consumer education, homebuyer preparation, and small business/entrepreneurship.

B. OVERVIEW OF FAMILY SELF SUFFICIENCY [24 CFR 984.101, 984.105]

1. Program Description

The FSS Program is designed to support SDHC assisted families in obtaining the training, education, employment, and support services necessary to increase their earned income, to relinquish welfare assistance, and to achieve economic self-sufficiency. Upon enrollment, participants receive guidance in identifying a viable career goal that will meet their economic needs and which offers upward mobility through career track options. While the FSS Program encourages families to reach an earning level that makes housing assistance unnecessary, their housing assistance is not impacted by successful completion of the FSS Program.

Families who choose to enter the FSS Program must execute a Contract of Participation (Contract) which identifies the responsibilities of the participant, as well as the role of SDHC and partnering service providers. The Contract includes the development of an Individual Training and Services Plan (Career Plan) outlining the participant's goals and interim steps toward self-sufficiency. The Contract is entered into a period of two (2) years, although in some cases, a participant may complete his or her Contract in less time. Participants enrolled into the old FSS program will remain under the original contract and will be able to remain in the program for up to 5 years.

Housing authorities are required by HUD to provide FSS participants with an array of support services coordinated by SDHC's staff and the staff of partner organizations. In addition, HUD requires that housing authorities establish an escrow account on behalf of eligible FSS participants. Eligibility for an escrow account deposit is determined by a HUD-approved formula, based on income data. Families with escrow accounts are able to make interim and final withdrawals based on HUD regulations and SDHC policies as outlined in this FSS Action Plan. FSS regulations and policies are explained to participants at orientation, at the time the Contract is executed, and at various times throughout their participation in the program.

Policies and procedures will be the same for Housing Choice Voucher and Public Housing families except as otherwise noted and fully described in the SDHC HCV Administrative Plan and the SDHC Public Housing Administrative and Continued Occupancy Plan.

2. Estimate of Participating Families

SDHC may request to operate an FSS Program smaller than the mandatory maximum program size (MPS) when necessary due to local circumstances in which there is a:

Decrease in or lack of accessible support services;

Decrease in or lack of funding for reasonable administrative costs;

Decrease in or lack of cooperation by other units of state or local government; or

Decrease in or lack of interest in participation in the program on the part of eligible families.

3. Coordination of Support Services

During the FSS Program's intake process, the participant works with an FSS Service Coordinator to develop a two-year Career Plan leading toward economic self-sufficiency. The participant and Service Coordinator work as a team in developing a career-related goal, and in determining the needed support services and interim steps necessary to complete this goal. During the Contract term, Service Coordinators refer FSS participants to partner organizations that provide the necessary support services to assist participants in completing their Career Plan.

The SDHC collaborates with a variety of partners within San Diego. Support services coordinated by SDHC may include:

Case Management

Vocational Assessment

Career Planning and Training

Micro-Business Development

Non-Traditional Career Development

Personal Development

Escrow Account Interim Withdrawals

Transportation Assistance

Childcare Assistance

Professional Clothing

Book Scholarships

Credit and Debt Counseling

Asset Building

Job Placement

4. Outreach Strategies

The FSS Program is advertised to families in a multitude of was including, but not limited to; new admission briefings, Tenant Newsletters, social media, in the waiting area of the Agency's main office via brochures, newsletters, electronic and other printed materials. SDHC staff throughout the Agency and staff of partner organizations also refer clients to the FSS Program.

5. Program Orientation

Families interested in joining the FSS Program are invited to attend an orientation in order to gain information about the program. Orientations are conducted primarily at the SDHC Achievement Academy virtually, or at an accessible and safe alternate venue at times of day that will accommodate the needs of prospective participants. If a participant is not able to attend a regularly scheduled orientation, they may request to have an orientation conducted one-on-one, to have any orientation conducted via phone or by a different accommodating method. Language translation is provided on an as-needed basis to meet the needs of monolingual residents. At each orientation, attendees are given a general overview of the program and are led through a sample Contract and Career Plan. The roles and responsibilities of FSS participants, as well as the role of SDHC and service providers are described along with details about support services, escrow accounts, program policies, and expectations and requirements for successful completion of the program. Participants are invited to make an individual appointment with an FSS Service Coordinator to sign an FSS Contract and develop a Career Plan for achieving their self-sufficiency goals.

6. Incentives to Participate

The SDHC's FSS Program offers potential participants incentives including, but not limited to:

Individual assistance from a Service Coordinator in drafting and implementing a Career Plan;

Referrals to partner organizations for support services that help remove barriers toward the attainment of self-sufficiency;

Referrals for technical assistance, training and support in the areas of micro-business and non-traditional career development;

Peer support and personal development programming;

Transportation support in order to attend FSS sponsored events (funding permitting);

If eligible, establishment of an interest bearing escrow account and interim withdrawals.

7. Families not Participating in FSS

Participation in the FSS Program is voluntary. Families who elect not to participate in FSS retain all other rights and responsibilities afforded to them under SDHC program regulations, as well as rights to occupancy in accordance with any applicable lease. Families who join, but later leave the FSS Program, also retain all rights and responsibilities afforded to them under the Section 8 and Public Housing programs administered by SDHC.

C. PARTICIPANT SELECTION

1. Non-Discrimination in Participant Selection

Selection of participants for the FSS Program is made without regard for race, color, gender, religious creed, national or ethnic origin, age, family or marital status, sexual orientation, gender identity or physical ability. All selections are made in accordance with the SDHC Fair Housing Policy described in the Administrative Plan for the Section 8 Voucher and Public Housing Programs.

2. Eligibility for Participation

Participation in the FSS Program is available on a voluntary basis to all SDHC assisted rental assistance and public housing families.

The Moving to Work program flexibility allowed for a change in the eligibility criteria, allowing adult non-head of households, 18 or older, to enroll in the FSS program.. Non-head of households who enter into a Contract will be responsible for the completion of the Career Plan and must be employed by the end of their participation in order for the FSS family to successful complete the program; all other requirements under the FSS program apply. There will be only one FSS escrow account per household. The execution of a Contract by a non-head of household will occur only in instances where the head-of-household is not able to actively participate in the program.

If a participant is enrolled in FSS but will not be able to continue with the program due to extenuating circumstances, they must contact their Service Coordinator and request to be withdrawn from the program. This is in order to be eligible to rejoin at a later date pending recommendation by a Service Coordinator and approval of the designated staff of the Workforce and Economic Development Unit. In such case, the participant must provide adequate documentation to verify that extenuating circumstances prevented the participant from meeting the terms of their original contract (e.g., health related reasons, participant was a victim of domestic violence; a member of the household experienced serious illness or death; the educational institution the participant was attending closed unexpectedly). Re-enrollment is allowed as long as a participant has not received an escrow payment through another Family Self-Sufficiency program and they exited the program on good terms without graduating.

3. Prerequisites and Waiting List

In general, FSS clients will be selected on a first come first served basis. Should the current program size be filled, priority on the FSS waiting list will be given to any eligible participant who ported-in from another jurisdiction and was actively participating in the FSS Program at the original Housing Authority. FSS Coordinator(s) will contact original FSS Program to ensure client was actively participating in program at time portability option exercised. The department will maintain a waiting list, should it be necessary, for the FSS Program on a first come first served basis. Exception will only be granted based on incoming portability client (see above).

4. Participants with Disabilities

SDHC encourages all residents to reach their self-sufficiency potential. Residents with differing abilities are included in FSS outreach efforts. SDHC does not define the nature, character, duration or any other aspect of a disability, but relies on verification of a qualified physician.

Participants who become disabled after joining the FSS program are responsible for updating their Career Plan in accordance with any medically necessary requirements that impact their ability to work. Because the FSS Program requires participants have a job-related goal, participants whose professional third party determines they will not be able to work under any circumstances (permanent disability) will be referred to appropriate service providers. Upon such referral, the participant's FSS Contract will be terminated and any accrued escrow funds will be forfeited.

Exceptions to the 32 hour work requirement, described in section III. Service Delivery below, are based solely on third party verification by a professional third party of an inability to work the required number of hours. No exceptions to other standard criteria will be considered. FSS participants with disabilities must be free of welfare at the time of graduation and have completed all the steps identified in their Career Plan, in addition to working a physician-approved number of hours to be considered for graduation from the FSS Program.

5. Accommodations to a Person with a Disability

It is the policy of SDHC to be service-directed in the administration of the FSS Program, and to exercise and demonstrate a high level of professionalism while providing services to families. The SDHC policies and procedures regarding accommodations to a person with a disability as contained in the Section 8 Administrative Plan, described in Chapter 1 Section F, shall be the adopted policy and procedures for the FSS Program.

Additionally, SDHC policies and procedures pertaining to verification of reasonable accommodation to accommodate a person with a disability, as contained in the Section 8 Administrative Plan Chapter 3 Section N, shall be the adopted policy and procedures for the FSS Program.

6. Denial of Participation

The SDHC may deny participation to families who wish to join the program. Participation will be denied to families who:

Owe money to SDHC or any other housing authority;

Have support service needs which present an undue financial or administrative burden to the Agency;

Act in ways which are contrary to the intent of the program (e.g., repeatedly fail to attend intake appointments; fail to attend mandatory activities; fail to create, update or implement a Career Plan; communicate a lack of intent to engage in activities related to successful completion of the Contract; perform inappropriate actions or communications toward FSS participants, staff or its partners);

Have successfully met the terms of a previous FSS Contract with the SDHC or another housing authority, and officially graduated from the program with or without an escrow account;

Do not meet eligibility criteria as detailed in section B. Eligibility For Participation above, which states "Participation in the FSS Program is available on a voluntary basis."

D. SERVICE DELIVERY [24 CFR 984.303(a), 984.303(b)]

Once enrolling and after attending a mandatory orientation session, the individual is invited to schedule an intake appointment with an FSS Service Coordinator.

1. Contract of Participation

During the intake appointment, a Contract is signed by the designated participant. The Contract describes the rights and responsibilities of the participant, SDHC, and its partners. The initial Contract term is two (2) years. The contract may be extended, in writing, and at the family's request, for a maximum of three additional years for good cause. Approval of such request is at the discretion of the Vice President of Workforce & Economic Development. Extensions will only be granted in rare circumstances, beyond the control of the family, and which prevent completion of the Career Plan.

The FSS Program start date will be the first day of the month following the date in which the Contract was signed by the participant and the FSS Service Coordinator. In compliance with HUD regulations, a contract cannot be executed if the time between a family's most recent HUD 50058 recertification and the FSS Contract start date exceeds 120 days. When a HUD 50058 recertification exceeds the 120 day time period, the family will have to request an interim 50058 recertification with the appropriate SDHC housing assistance department.

2. Individual Training and Service Plan

The Individual Training and Services Plan (Career Plan) identifies the participant's job-related final goal, as well as interim steps with timelines for completion. The final goal must demonstrate job advancement on the part of the participant through increased skills acquired during the term of the contract. These steps and timelines are monitored by the FSS participant and their FSS Service Coordinator throughout the two-year Contract period. Participants whose final goal is to operate a business must have an approved business plan as one of their interim goals. Business plans must be approved by a reliable source, such as the Small Business Development Center, Southwestern College, Accion, etc.

The individualized Career Plan encompasses a range of goals, including but not limited to:

Career Exploration

Skills Development

Education and Training

Employment

Barrier Identification

Resource Identification

3. Graduation Requirements

Completion of the Contract and official graduation from the FSS Program occurs when the participant is determined to be self-sufficient and has met all of the following conditions:

All steps in the participant's individual Career Plan have been completed, including the achievement of the final goal;

A FSS participant and all members of the household must be free of welfare assistance at the time of graduation. Welfare assistance is defined by HUD as "income assistance from Federal or state welfare programs and includes cash maintenance payments designed to meet a family's ongoing basic needs". The SDHC considers payments made to participants through Temporary Assistance to Needy Families (TANF) and General Relief programs to be Federal or state welfare programs. The SDHC may request a third-party verification that the participating family has not received these types of cash maintenance payments at the time of graduation, and disbursement of escrow funds; and

The participant must be employed, and must provide verification that the combined number of hours of employment per week for his or her household is no less than 32 hours. Disabled participants must provide third party verification if unable to work 32 hours per week. Minimum employment standards for disabled participants will factor in appropriate information from a professional third party competent to make the assessment.

Alternatively, a participant can be determined to be "self-sufficient" if 30% of the family's monthly-adjusted income is equal to or greater than the fair market rate for the unit size for which the family qualifies.

Participants who meet all graduation requirements prior to the expiration of their Contract will be graduated early, if no additional significant steps are added to their Career Plan. Participants may not stay in the program for the sole purpose of increasing their escrow savings.

4. Escrow Accounts

As incentive for families to join the FSS Program, and as a strategy to assist families in building assets, HUD regulations allow an escrow account to be established on behalf of eligible families. Eligibility for an escrow account is determined according to a HUD-defined formula using the family's income data. Under SDHC's MTW policy, it revised the FSS escrow calculation from escrow credits based solely on earned income increases to providing additional escrow credits for participants who demonstrate behaviors that maximize the likelihood of increasing financial stability and self-sufficiency. The revised calculation provides escrow credits based on completed outcomes, including income increases, initial activities completed, and annual engagement, establishing savings, and voluntarily surrendering rental assistance due to becoming self-sufficient. SDHC will establish a maximum escrow amount of $50,000 for each household.

As the family's earned income increases and the household rent increases, the FSS Program Analyst will determine escrow eligibility according to the HUD formula in combination with the escrow-eligible based outcomes.

One Time Efforts	Amount
HAP is less than $250 at end of program	$1,500.00
Participant reaches final FSS career goal	$500.00
Participant obtains full-time employment - with 6 month retention	$500.00
Participant graduates from an accredited 4 year university	$250.00
Participant obtains part-time employment (less than 32 hrs.) - with 6 month retention	$250.00
Participant is no longer receiving cash aid assistance	$250.00
Participant establishes a personal savings account and saves at least $500	$250.00
Participant increases at least one tier on the Path to Success Tiered Rent Table	$1,000.00
Participant graduates from a vocational program or 2 year college	$100.00
Participant establishes a credit history (going from a "No Score" to an actual credit score) or increased credit score	$100.00
Annual engagement - participant met with WRS on time for each semi-annual appointment	$100.00
Participant completes the benefits screening process	$50.00

One Time Efforts:

Housing Assistance Payment Reduction - $1,500

In order to receive this award amount, the participant must have the SDHC Housing Assistance Payment (housing subsidy) be $250 or less. If the participant is planning to surrender their Housing Choice Voucher as part of their FSS graduation, they are also able to receive this award.

Final Goal Achieved - $500

In order to receive this award amount, the participant must accomplish their final career goal within the first two years of their contract of participation. If the participant receives an extension they are still able to graduate, but are not able to receive this award.

Full Time Employment Achieved - $500

In order to receive this award amount, the participant must obtain a full-time position working more than 32 hours a week, or its equivalent if the participant operates a small business, and retain the position for a minimum of six consecutive months. Participant must provide

1. Employment Verification form
2. Proof of the original start date
3. Pay stubs for six consecutive months; or
4. Verification of Self Employment form
5. Income statements for six consecutive months or federal and state individual income tax returns

Graduation from a Four Year College Achieved - $250

In order to receive this award amount, the participant must graduate from a four-year higher education institution that is accredited through a group that is recognized by the United States Department of Education or the Council for Higher Education Accreditation (CHEA). The participant must provide:

1. Copy of diploma or a letter on official school letterhead certifying graduation
2. Accreditation verification from US Department of Education or CHEA website. No verification is needed for any school that is part of the University of California system; California State University system; University of San Diego; Point Loma Nazarene University; Alliant International University or National University.

Part Time Employment Achieved - $250

In order to receive this award amount, the participant must obtain a part-time position working no more than 32 hours a week, or its equivalent if the participant operates a small business, and retain the position for a minimum of six consecutive months. Participant must provide:

1. Employment Verification form
2. Proof of the original start date
3. Pay stubs for six consecutive months; or
4. Verification of Self Employment form
5. Income statements for six consecutive months or federal and state individual income tax returns

No Cash Aid - $250

In order to receive this award amount, the participant and every member of the family who received cash aid during their FSS enrollment must be free of receiving cash aid assistance at the time of graduation. Verification will be made on the CalWIN website.

Personal Savings Account - $250

In order to receive this award amount, the participant must establish a personal savings account or Certificates of Deposit (CDs) account with a bank or credit union that reflects a minimum balance of $500 for at least six months. The award is only available to participants who provide a copy of their bank statement at least three months prior to the expiration of the contract of participation. Checking or debit accounts are not eligible for this award.

Increase in Path to Success Rent Tier Table - $1,000

In order to receive this award amount, the participant must increase at least one tier in the SDHC Path–to–Success Rent Tiered table. However, if the participant decreases one or more tiers they are still able to graduate, but are not able to receive this award.

Graduation from a Two Year College / Vocational Program Achieved - $100

In order to receive this award amount, the participant must graduate from a two year higher education institution such as any institution that is part of the California Community Colleges System; or any institution that is accredited through a group that is recognized by the United States Department of Education or the Council for Higher Education Accreditation (CHEA) or Western Association of School and Colleges (WASC); or graduation from a vocational program that is part of the California's Eligible Training Provider List in compliance with the Workforce Investment Act (WIA) of 1998, or a vocational program approved by the SDHC Achievement Academy. The participant must provide:

1. Copy of diploma or a letter on official school letterhead certifying graduation

2. Accreditation verification from US Department of Education, CHEA, or ETPL website. No verification needed for California Community Colleges System.

Establish or Increase Credit Score - $100

In order to receive this award amount, the participant must establish a credit history (going from a "No Score" to an actual credit score) or increase their credit score at least one point. The baseline score/credit report must be dated after the participant's enrollment in the FSS program and their follow-up score/credit report must be dated prior to the expiration of the contract of participation. The participant must provide:

1. A copy of the credit report with score, or

2. A letter from a credit counseling agency confirming a credit score increase

Annual Engagement - $100

In order to receive this award amount, the participant must meet with their Workforce Readiness Specialist on time for each semi-annual appointment and any other appointments specified in the Individual Training & Services Plan. The participant needs to complete the program within two years, if the participant receives an extension they are still able to graduate, but are not able to receive this award.

Benefits Screening - $50

In order to receive this award amount, the participant must have a benefits screening conducted by an SDHC Achievement Academy staff /partner during the term of their contract of participation. In order to receive the award the participant must also be eligible for, apply, and receive at least one benefit listed in the Self-Sufficiency Calculator Intake Questionnaire. A participant is not eligible to receive this award if they are not eligible for any of the benefits listed on the Questionnaire or if they have previously applied and received the benefit prior to enrolling in the FSS program.

If the family is eligible for an escrow account, the FSS Program Analyst will then determine the amount of escrow credits, as appropriate, on behalf of the participant (in accordance with 24 Code of Federal Regulations 984.304). Escrow funds are held in the participant's name until requirements for final withdrawals have been met by the participant.

SHDC may permit FSS participants to make interim withdrawals from the escrow accounts established on their behalf in order to remove barriers related to the completion of their Career Plan. The criteria under which FSS participants may make interim withdrawals are defined in Section F - Support Services.

Participants with balances in an escrow account established by the SDHC on their behalf may apply for a final withdrawal of funds if the terms of their Contract have been met prior to its expiration and the participant has:

Completed the steps in their Career Plan; and

Provided verification that he or she is employed, and the combined total number of hours worked per week for the household is at least 32 hours; and

Certified that all members of the household have not received welfare assistance at the time of graduation; OR

30% of the family's monthly-adjusted income is equal to or greater than the fair market rate for the bedroom size they are eligible for, and the family has certified that no one is receiving welfare assistance.

5. Career Planning and Personal Development Workshops

The Family Self-Sufficiency Career Planning and Personal Development Workshops are designed specifically for program participants and facilitated by FSS staff and qualified partners. The topics covered in the workshops may include, but are not limited to:

Skills Inventory

Workforce Development

Goal-Setting and Decision-Making

Demand Occupations

Time Management

Resource Identification

Career Planning

Credit and Budgeting

Recruitment Fairs

Resource Fairs

Participation in these Workshops provides each participant with the tools necessary to complete a written, individualized Career Plan complete with education, training and employment objectives; an empowering peer support and community building group experience; and resources and information helpful in overcoming obstacles towards self-sufficiency.

6. Career Support Activities

In order to provide participants with ongoing, regularly scheduled opportunities to receive support from FSS staff, SDHC offers career support activities via individual appointments with a Service Coordinator. To accommodate the schedules of working participants, the program offers an Extended Hours schedule. These sessions provide participants with on-going support in career development, as well as the opportunity to clarify questions about the FSS Program and request support services. Discussions often focus on resource identification, education, employment and barriers that may interfere with completion of the Contract. During the meeting, participants are referred to partner organizations that provide needed support services.

As part of their semi-annual attendance requirement, all FSS participants must meet individually with their Service Coordinator to do a thorough and in-depth update of their Career Plan. Intake appointments with Service Coordinators at the start of the program may not be counted toward the annual update requirement.

Support services may be reduced or denied to participants who have not attended an update meeting at least semi-annually, or more often, as identified in their Career Plan. Families who do not attend the mandatory number of meetings may also be denied interim escrow account withdrawals until such time as this requirement is fulfilled.

7. Education, Training, Technical Assistance and Employment

Education, training, and technical assistance plans leading to self-sufficiency employment are developed by participants through: interaction with their FSS Service Coordinator, interaction with collaborating partner organizations, attendance at the Career Planning and Personal Development Workshop and annual update meetings. Assistance in the areas of career planning, education, training, micro-business, nontraditional career development, financial literacy, home ownership, and other topics related to self-sufficiency are provided on an ongoing basis.

E. TERMINATION OF PARTICIPATION [24 CFR 984.303(h)]

SDHC may terminate a participant's involvement in the FSS Program for willful and/or repeated failure to comply with the terms of the Contract as described in section II. Participant Selection. The FSS Contract is automatically terminated if the family's housing assistance is terminated in accordance with HUD requirements, or if the family voluntarily surrenders their housing assistance. Families who are

dropped from SDHC housing assistance for program or lease violations are not eligible to withdraw any escrow account funds maintained on their behalf.

Other reasons for terminating the FSS Contract include:

Left Voluntarily (the Contract was terminated through the mutual consent of the participant and FSS Program, or the participant decided to withdraw from the FSS Program)

Asked to Leave Program (the Contract was terminated due to participant not meeting the requirements and obligation of the FSS Contract, or because the family's housing assistance was terminated)

Portability move-out (the family moved to another housing authority's jurisdiction)

Left because essential services were unavailable (Contract is declared null and void because a participant could not become self-sufficient because of a lack of fundamental services)

Contract expired but family did not fulfill obligations (the participant did not meet all contract obligations before the Contract end date)

F. SUPPORT SERVICES

For an FSS participant to make progress in completing their self-sufficiency goals, a wide range of support services may be needed. Case management and service coordination focus on developing the skills participants need in order to make the transition off public assistance into self-sufficiency. In addition to case management and service coordination, some participants find themselves in need of additional support in order to make progress in their Career Plan. To this end, the FSS Program offers, on an as available basis and at the discretion of the coordinator and program supervisor, a variety of support services to aid participants through particularly challenging times.

1. General Policy for Financial Assistance

Financial support may be available to FSS participants through support funds or through interim escrow account withdrawals, when funds are available. The following general policies apply to all requests for financial support from FSS participants:

Requests must be directly related to the completion of the participant's Career Plan and the removal of barriers to achieving career goals. Eligible uses for interim FSS disbursements include requests related to job training, education, homeownership, small business development, debt repayment, credit building, affordable transportation, and other areas as needed.

Participant must have completed semi-annual updates and have a current Career Plan in place including a specific determined final career goal;

Participant must be actively progressing toward the completion of interim steps in their Career Plan in a timely manner;

Participant must have made a documented effort to secure resources through other sources;

Funds may not be used for on-going expenses or to reimburse expenses;

Participants with a self-sufficiency goal of operating a micro-business must have an approved business plan on file with their Service Coordinator prior to requesting financial support related to the operation of the business;

Prior to approval, SDHC staff may require a participant to contact other SDHC-referred service providers;

For purchases over $500, two reasonable estimates must be provided;

Backup documentation for any previous financial supportive service received must have been submitted in order to be considered for a new request (e.g. proof of class completion after receiving a book scholarship);

Requests that are deemed unjustifiable or inconsistent with the participant's Career Plan, or that do not meet policy and procedure guidelines as set forth in this Action Plan may be denied. All such requests for financial assistance must receive final approval from the designated staff in the Achievement Academy

All decisions are subject to review and hearing procedures;

Requests for duplicate expenses or payment of items that have been previously paid for by FSS escrow funds will not be granted.

Participants who are not expected to meet graduation requirements within the term of their contract are not eligible for financial support, such as book scholarships, interim withdrawals, bus passes, etc. These participants may continue to receive service coordination and other services, such as career planning and information referral.

2. Escrow Account Interim Withdrawals

SDHC may allow FSS participants with an escrow account established on their behalf to request interim withdrawals from the account to support completion of the steps in their Career Plan. The interim withdrawal may not exceed 25% of the participant's accrued escrow amount. Participants who have not completed interim steps on their Career Plan in a timely manner may be denied interim escrow account withdrawals until the required activities are completed. Families who have not submitted receipts for previous interim withdrawal purchases may be denied subsequent withdrawals until such time as the receipts are submitted and verified. Final withdrawals may also be denied for failure to provide receipts from previous purchases.

Interim escrow withdrawals cannot be used for:

Reimbursement of expenses already paid for by a participant, except for emergency automobile repairs that may be reimbursed as long as the participant submits an interim withdrawal request, repair receipts, and other appropriate documentation, within two (2) weeks of the repair. In such cases, participants must meet all other conditions for an interim withdrawal as described in section A. General Policy for Financial Assistance above;

Rent;

Expenses not directly related to the Career Plan;

Expenses previously paid for through FSS escrow funds.

Procedures for participants who wish to withdraw funds from the escrow account are as follows:

Automobile Repairs

A participant requesting an interim withdrawal of escrow funds for automobile repairs must complete the following steps before an interim withdrawal will be considered for approval:

Provide verification to their Service Coordinator that funds for future automobile repairs have been estimated on the participant's current budget; and

Provide two (2) quotes for the needed repair (except in cases of emergency towing where a car has already been taken to a repair facility).

Provide driver's license title, registration and proof of insurance.

Requests will not be approved for:

Costs related to regular maintenance (e.g., oil changes, air and fuel filter replacement, worn tire replacement, tire rotation and balancing, alignment, belts and hoses, manufacturer recommended service inspections);

Fuel purchase;

Automobile insurance costs.

Automobile Purchases

A participant requesting an interim withdrawal of escrow funds to purchase an automobile must comply with the following procedures in order to be approved for a maximum withdrawal of 25% of FSS funds:

Demonstrate that their budget will support car payments (if applicable), as well as costs for auto insurance, maintenance and gasoline;

Be employed or be seeking employment at the time of the request (SDHC defines "seeking employment" as the FSS participant engages in demonstrable job seeking activities such as completing and submitting applications and resumes, engaging in job interviews, industry research, and on the job training);

If job seeking, provide verification that other household members have adequate income to assist participant, as necessary, with expenses related to the automobile (i.e., car payments, auto insurance, maintenance, gasoline, and repairs);

Provide verification that the purchase price does not exceed the Blue Book value;

Provide verification that the automobile has been examined by a qualified mechanic;

Provide verification that the automobile was purchased within four (4) weeks after issuance of funds;

If an automobile has not been purchased within four (4) weeks of issuance of funds, funds must be returned to SDHC.

Computers

In addition to demonstrating that the purchase of a computer is directly related to their Career Plan, a participant requesting an interim withdrawal of escrow funds to purchase a computer must:

- Provide two (2) estimates for comparable computers;

- Provide a written statement identifying how the purchase of a computer will remove a barrier and directly impact the achievement of the participant's career goal; and

- If the participant's goal is to operate a micro-business, participant must have an approved business plan on file with the Service Coordinator, or provide verification that such a plan is being developed.

Clothing

Participants in need of clothing and support services to prepare for job interviews and new employment will be referred to programs such as Dress for Success San Diego. Charges for referral services must be paid through an interim withdrawal if an escrow account is being held on the participant's behalf.

3. Book Scholarships

The goal of the book scholarship fund is to support participants in achieving their self-sufficiency goals by providing assistance with the books necessary to complete courses at an accredited or licensed school. Participant must provide proof that all financial aid funds have been exhausted.

To request a book scholarship, the participant may be asked to attend an annual update meeting to discuss their need for assistance. Participants are allowed up to two (2) book scholarships per calendar year. The maximum Book Scholarship award that may be requested at one time is $200 for participants enrolled in six (6) or more semester units or the equivalent, and $100 for participants enrolled in less than six (6) semester units or the equivalent.

For a participant to be eligible for a book scholarship, the following conditions must be met:

Funds must be used only for book purchases;

Participant must be enrolled in an education program or vocational training that is related to their Career Plan;

Participant's Career Plan must be current and classes must coincide with the Career Plan;

Participant must be working toward a specific degree or certificate;

Participants must demonstrate that they have completed classes for which any prior book scholarships were granted before additional requests can be considered.

Requests for book scholarship must be submitted before the participant purchases books. Applicants must have estimates for book expenses. After-purchase of books and related items, receipts must be submitted to the FSS Program Analyst within two (2) weeks. Once book scholarship funds are fully spent,

no additional scholarships will be issued until the following fiscal year; given scholarship monies are available.

4. Bus Passes / Gas Cards

Funding permitting, individual tokens for the public transit system and gas cards may be issued for FSS sponsored events, such as Career Planning and Personal Development Workshops and annual update meetings. Tokens and gas cards may be issued, with the discretion of the Service Coordinator and/or Program Supervisor, to enable participants to follow-up on FSS Service Coordinator's referrals for support services.

A one-month bus pass or two half-month passes may be provided to assist participants with transportation related to Career Plan activities during the Fiscal Year. A second bus pass may be issued to a participant if the Service Coordinator considers it justifiable, and the participant has attended all mandatory annual updates, and completed any other steps deemed necessary by the Service Coordinator. To be eligible for a pass, the participant with an approved Career Plan, must be employed, searching for employment or engaged in documented training or education activities at the time of the request. Issuance of bus passes are based on the following guidelines:

Bus passes will only be issued to participants for activities related to education, training and employment;

A maximum of two (2) full month bus passes can be provided to an FSS household during a fiscal year (July 1 through June 30);

Participant must provide verification that they made a good faith effort to make other transportation arrangements.

5. Moving

Participants in need of financial assistance in order to relocate within the City of San Diego will be referred by their FSS Service Coordinator to programs that may be able to assist them with security deposits for rental units.

6. Withholding of Support Services and/or Termination of Contract

SDHC may withhold FSS support services and/or terminate the Contract under the following circumstances:

When terms of the Contract have been met and the participant requests to end his or her participation in the FSS Program;

30% of the family's monthly adjusted income is equal to or greater than the fair market rate of the unit size for which the family qualifies;

By mutual consent of the parties;

By operation of law;

When the FSS participant moves from the jurisdiction of SDHC within the first 12 months of participation;

The participant fails to honor the terms of the Contract, Career Plan and its modifications;

The participant refuses to seek and maintain suitable employment during the term of the FSS Contract and its addendum, if applicable;

An act occurs that is inconsistent with the purpose of the FSS Program.

Willful and/or repeated failure of the participant to comply with the terms of the Contract.

Non-compliance with the Section 8-assisted lease or public housing lease. (Supportive services and escrow withdrawals may be withheld until the family resolves all non-compliance issues with the Rental Assistance Program.)

G. PROGRAM ADMINISTRATION [24 CFR 984.306]

The FSS Program is administered and maintained by the SDHC. While policy decisions remain with the Agency, the Director of the Workforce and Economic Development Unit receives support, expertise, and cooperation from the Program Coordinating Committee in the overall operation of the program.

1. Portability

Porting Out: Head of Household

Head-of-household FSS participants should be aware that porting out to another Public Housing Authority (PHA) will impact their participation in the FSS Program. Head-of-household Participants who are considering porting out must notify their FSS Coordinator prior to porting out (this is in addition to contacting their Housing Assistant).

HUD regulation allows agencies to terminate contracts of head-of-household FSS participants who port-out during the first twelve (12) months of their FSS Contract. When a head-of-household FSS participant ports-out during the first 12 months, the FSS Contract will be terminated and any escrow funds that may have been held on the participant's behalf will be forfeited.

For head-of-household FSS participants who have been in the program for 12 months or more and are porting-out to another jurisdiction, the following may apply:

The FSS Coordinator will evaluate the participant's FSS Contract and Career Plan to determine if the participant can be declared self-sufficient prior to port-out. In such case, exit papers will be prepared and graduation from the FSS Program will be approved.

In cases where the participant cannot be declared self-sufficient, and the receiving PHA is absorbing the Section 8 voucher, the head-of-household participant may request enrollment in the receiving PHA's FSS Program. If enrollment is granted, the Contract with SDHC will be terminated. A copy of the head-of-household participant's FSS Contract will be forwarded to the receiving PHA, and any escrow balance will be transferred to the receiving PHA upon port-out.

If the receiving PHA does not have an FSS Program or is not willing to accept the head-of-household participant into its FSS Program, the contract with the SDHC will be terminated and any escrow funds may be disbursed if the FSS family is in good standing.

There may be cases where the receiving PHA allows the relocating participant to enroll in its FSS Program, but does not absorb the Section 8 voucher. In such cases, it becomes unfeasible and an administrative burden for the SDHC to continue to monitor the FSS Contract, and the FSS Contract will be terminated and any escrow balance may be disbursed if the FSS family is in good standing.

There may be cases where an FSS family is in good standing and continuation of the FSS contract after the move, or completion of the FSS contract prior to the move is not possible. In such cases, the FSS contract with the SDHC will be terminated but escrow can be disbursed to the family rather than forfeited.

Porting Out: Non-Head of Household

The Move to Work (MTW) Program initiative permits the SDHC to execute a FSS Contract with non-heads of household. This flexibility is not available to other Public Housing Authorities (PHAs) without the MTW special designation. Even if the family is porting to another MTW PHA, the absorbing agency may not have opted to include such flexibility as part of its FSS Action Plan. As a result, FSS families with a Contract executed by a non-head of household are unable to port-out to other jurisdictions. In such cases, the FSS Contract will be terminated and any escrow balance will be forfeited. If a FSS family with a Contract executed by a non-head of household decides to give that individual the head of household status, port-out may be possible. However, there are stipulations that impact this change; the participant needs to contact their Housing Assistant to understand the process and implications. In addition, it is entirely the responsibility of the participant to make this change in a timely fashion prior to the port-out.

Porting In

When an FSS family from another jurisdiction moves into the SDHC, and the SDHC absorbs the incoming Section 8 voucher, the FSS head-of-household (participant) may elect to join SDHC's FSS program. However, if the voucher is not absorbed by SDHC, then the relocating FSS family may not join SDHC FSS program. FSS participants must also have more than one-year remaining on their original FSS Contracts to be able to participate in the SDHC FSS program.

The FSS participant must attend a SDHC FSS orientation prior to joining SDHC program. The SDHC enters into a new contract with the FSS head-of-household participant for the term remaining on the initial PHA's FSS Contract. The effective and expiration dates of the contract between the SDHC and the FSS participant MUST remain the same as the effective and expiration dates of the contract between the initial PHA and the FSS participant. SDHC will use the same baseline amounts listed for Annual Income, Earned Income and Family Rent or Total Tenant Payment as used by initial PHA on the original Contract of Participation.

In accordance with HUD regulations, SDHC will request from the initial PHA to forward FSS participant's escrow account funds to the SDHC to be maintained for the duration of the Contract.

2. Grievance Procedure

Request for Administrative File Review

Participants are notified in writing via certified mail and regular mail of decisions affecting their participation in FSS. The written notification includes the reasons for the decision and the policies and regulations supporting it. If the participant disagrees with the decision, he or she has a right to request an Administrative File Review. A written request for such a review must be submitted to the Workforce and Economic Development unit within fifteen (30) business days from receipt of the notice. Requests for Administrative File Review must be in writing and must state why the participant disagrees with the decision.

The Director in the Workforce and Economic Development Unit, or designee, will conduct a review of the participant's FSS file to determine whether the contested decision is supported. The Program Supervisor may request that the participant meet with the FSS Administrative Board to answer questions and present any further needed information. The Administrative Board is made up of the Director of Workforce and Economic Development, Senior Program Analyst and the FSS Program Analyst.

The SDHC is not required to provide an Administrative File Review or Informal Hearing for the following reasons:

The primary signatory to the Contract is not employed at time of exit from the program;

Any member of the family will not be independent of welfare assistance at graduation.

The final results of the Administrative File Review process must be provided in writing to the participant within twenty (20) business days from the date of the receipt of the request for review. The results shall include a brief statement of the basis for the decision, including the policies and/or regulation(s) governing the decision. If the participant does not agree with the determination of the Administrative Review, the participant may request an Informal Hearing.

Request for Informal Hearing

An Informal Hearing may be requested by a participant who disagrees with the decision of the Administrative File Review. The results of the Administrative File Review will include a hearing notice and an explanation of the hearing process. The hearing notice will advise the participant they must request an informal hearing within 30 calendar days from the date of mailing of said notice.

Should the participant submit a request for a hearing on an untimely basis (later than 30 calendar days from the date of mailing of the hearing notice by the SDHC), staff will inform the participant by mail within ten calendar days of such receipt that the participant is not entitled to a hearing. However, a participant who has submitted an untimely hearing request within one year from the date the hearing notice was issued, and has shown good cause, may be granted an informal hearing.

The participant may withdraw his or her hearing request at any time by informing SDHC in writing. After a hearing date has been scheduled, the family may request to reschedule, only one time, upon showing "good cause," which is defined as an unavoidable conflict that seriously affects the health, safety or welfare of the family. If the participant fails to appear without notice, the hearing will be considered abandoned and SDHC shall follow through with the intended action. A hearing is deemed abandoned if the participant fails to appear within 30 minutes of the scheduled hearing.

Prior to the Informal Hearing, the FSS participant may review his or her FSS file and receive copies of any pertinent information or documentation. SDHC must also be given the opportunity to examine any participant documents that are directly relevant to the hearing. Any documents the participant wishes to be considered during the hearing must be submitted to the FSS Program within three (3) business days of the date of the scheduled hearing. SDHC must be allowed to copy any such documents that the participant submits. Any documents not made available for examination on request by either party prior to the hearing may not be presented at the hearing.

As necessary, and if requested in advance, special accommodations such as interpreters or translators or special venues will be arranged in order to accommodate participants with communication and/or accessibility barriers. The Informal Hearing will be conducted by any person designated by the SDHC, other than a person who made or approved the decision under review or a subordinate of that person. A Hearing Officer appointed by SDHC will regulate the conduct of the hearing. The participant has a right to counsel, at their own expense. Both SDHC and the participant must have an opportunity to present evidence and/or witnesses as provided in the approved Section 8 Administrative Plan for SDHC and the approved SDHC Admissions and Continued Occupancy Plan for conventional Public Housing.

The Hearing Officer shall make a determination as to whether the rules or regulations were correctly or incorrectly interpreted or applied based only on the information submitted at the hearing. A Notice of Hearing Findings shall be provided, in writing, to the participant within twenty (20) business days from the conclusion of the hearing.

The SDHC hearing policies and procedures as contained in the Section 8 Administrative Plan, shall be the adopted policy and procedures for the FSS Program.

H. REPORTING AND PROGRAM EVALUATION [24 CFR 984.401]

1. Reporting

Information as identified on the Family Self Sufficiency Addendum to the 50058 is reported to HUD electronically through the Multifamily Tenant Characteristics System (MTCS) electronic system.

For families leaving the program, SDHC provides information on families who:

Have successfully completed the FSS Contract;

Have completed the FSS Program and bought a home;

Left voluntarily;

Were asked to leave the program;

Ported-out and did not complete the program;

Left because essential services were unavailable;

Let their Contract expire without fulfilling their obligations.

2. Program Evaluation

In order to evaluate both process and outcomes of the FSS Program, SDHC, on an ongoing basis, collects and maintains data and researches and prepares reports pertinent to the overall effectiveness and value of the program. Up-to-date information on each participant and the FSS Program itself are maintained via a customized database and as a backup, through individual hard copy files.

The SDHC utilizes the following sources to evaluate the FSS Program:

Feedback from participants collected via the Program Coordinating Committee, annual updates, Work Readiness Specialists, partnering support service providers and surveys;

The number of participants with escrow accounts, the total combined value of escrow accounts, the average amount in escrow accounts and the amount accessed in interim and final escrow withdrawals;

The number of participants who met the terms of their contract prior to its expiration;

The number of participants who voluntarily surrender housing assistance;

The number of participants who purchase homes;

The number of FSS graduates who experienced an increase in earned income while on the program;

The number of family members who no longer receive subsidies under one or more public assistance programs.

RESERVED

A. INTRODUCTION

The Home of Your Own program has been placed on hold indefinitely. The policies outlined in this chapter apply to existing program participants.

The SDHC Housing Choice Voucher Homeownership Program (aka) Home of Your Own (HYO) is designed to expand homeownership opportunities for voucher participants. This program will assist HCV participants in transitioning from rental assistance to homeownership using their voucher assistance. SDHC is a Moving to Work (MTW) agency and has designed the homeownership program to maximize flexibility provided under MTW and to meet local objectives.

The HCV Homeownership Program is available to all voucher holders who meet the minimum qualifications set forth in this plan, who have the ability to independently secure a mortgage loan and based on SDHC program feasibility. Variables such as MTW Plan and agreement parameters, anticipated funding levels, and administrative expenses may be considered during the evaluation process to determine program feasibility for continued availability.

B. HOUSING CHOICE VOUCHER RULES APPLY

With the exception of unique eligibility and "family obligation" procedures identified elsewhere in the section, SDHC will administer the HCV Homeownership program in accordance with all the policies and procedures contained in the HCV Homeownership Plan, MTW Agreement and other support documents.

C. ELIGIBILITY REQUIREMENTS FOR FAMILIES

Participation in the HCV Homeownership Program is voluntary. Each participant must meet the general requirements for admission to the HCV rental program as set forth in SDHC HCV Administrative Plan. The family must also meet all eligibility requirements of the HCV Homeownership Program.

1. General Requirements

Only current participants in the HCV rental program who have received assistance for at least one full year may apply for the homeownership program.

The head, spouse, and co-head must be a U.S. citizen or have eligible immigrant status.

An applicant must be in good standing for at least one year with their landlord and SDHC with regard to their family obligations.

The family must satisfy the prerequisite of being in "good standing" prior to receiving a Certificate of Eligibility for the homeownership program. For the purposes of the homeownership program, "good standing" is defined as meeting all of the conditions prior to and during the homeownership shopping period, as outlined below.

Landlord reference(s) is required indicating that during the prior year the family has an uninterrupted record of paying monthly rent in full and on time, and satisfactorily meets all other lease obligations, as

documented on Homeownership Landlord Reference form. All verifications will be completed via third-party written or oral communication with the applicant's landlord.

Within the past year, the family has met all the HUD and SDHC family obligations under the HCV program.

Within the past year and throughout the homeownership shopping period, the family may not owe SDHC or any other housing authority any outstanding debt nor enter into a repayment agreement. A participant may become eligible to apply for the homeownership program on the one-year anniversary date of full payment of any debt, subject to meeting the other conditions of good standing.

An applicant must be a "first-time homeowner."

To qualify as a "first-time homeowner," the assisted family may not include any person with a "present ownership interest" in a residence during the three years before the closing of the unit for the family. Cooperative membership shares acquired prior to the commencement of homeownership assistance are exempt from this rule. A single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse, is considered a "first-time homeowner." Current homeowners are ineligible.

Other conditions also apply to "first-time homeowner" definition:

No family member may have a present ownership interest in a second residence while receiving homeownership assistance.

If SDHC determines that a disabled family requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement does not apply. However, current homeowners are not eligible.

SDHC will not commence homeownership assistance for a family if any family member has previously received assistance under the homeownership option, and has defaulted on a mortgage securing debt incurred to purchase the home.

An applicant must demonstrate a minimum down payment of at least $3,000 from the eligible family's personal resources. This amount must be verifiable savings accumulated over several months in the family's bank account(s) and may not be a gift or a loan. For FSS participants who are eligible for HCV homeownership and who have escrow accounts, they may use up to $1,500 of their escrow account to satisfy up to half of the $3,000 personal resource requirement. For participants who have Aspire accounts, the amount they have contributed to this account may be used towards satisfying the $3,000 personal resource requirement.

An applicant must meet the minimum income standards defined below:

For a family whose head of household or spouse is an individual that meets the definition of occupancy disability or elderly, the minimum gross annual income standard is $25,000.

For eligible FSS/ASPIRE participants and recent graduates, the minimum gross annual income standard is $30,000. Preference will be given to an applicant who is a current FSS/ASPIRE participant and has been in the FSS/APIRE program for at least one (1) year, or who has graduated from the FSS/ASPIRE program in the twelve (12) months prior to applying for the HCV Homeownership Program.

For non-elderly/non-disabled families, the minimum gross annual income standard is $35,000.

For purposes of program eligibility, welfare assistance may only be counted as income in cases where the applicant meets the definition of an elderly or disabled family.

The pre-qualified or pre-approved financing amount must be sufficient to purchase housing that meets HUD Housing Quality Standards (HQS).

An applicant must attend and satisfactorily complete a Home Buyer Education pre-assistance housing counseling program through an agency recognized by SDHC. The family must attend and complete SDHC Homeownership Briefing and interviews.

2. Employment Obligations

Except for a disabled family or an elderly family, assistance under the homeownership program is limited to families who demonstrate a stable work history. The employment requirement is used to determine eligibility and is a requirement throughout the period of homeownership assistance.

Regular seasonal employees and self-employed workers, who have a demonstrated work history and an annualized income, will be considered continuously employed for purposes of HCV Homeownership program eligibility and subsequent employment requirements.

The applicant head of household, spouse, or adult who will be on the mortgage document is required to document full-time (average of no less than 35 hours per week), continuous employment for a period of not less than 12 months and have been employed for 24 continuous months prior to application.

The applicant head of household, spouse or adult on the mortgage document must remain continuously employed (average no less than 35 hours per week) while participating in the program.

For eligibility purposes, continuous employment is defined as:

“No gap in employment lasting more than four weeks total during the past year.” Continuous employment for seasonal employees and self-employed workers is defined as two consecutive years of regular seasonal employment where SDHC ‘annualizes’ family income when determining family rent.

Part-time employment by two adults in the household, totaling over 35 hours per week, does not constitute full-time employment by either adult.

SDHC has the discretion to interpret small gaps in employment. Permissible gaps can occur if loss of employment resulted from circumstances beyond the employee’s control (layoff, medical); and did not result in an employment gap of more than four consecutive weeks.

Documentation of the initial employment requirement for the HCV Homeownership program will be completed using a combination of review of documents, EIV/UIV, and/or a third party employment verification. All verifications will be completed via review of documents, EIV/UIV, third-party written or oral communication with the applicant’s employer. Annual documentation of the full-time employment requirement will be documented using review of documents, EIV/UIV, or third-party verification in accordance with SDHC's rental assistance program’s MTW verification hierarchy at annual recertification.

Lenders may require participants to demonstrate a history of full-time, continuous employment based upon the lender's underwriting that are above the requirements of SDHC.

The employment requirement is not applicable to elderly or disabled families.

D. APPLICATION PROCESS

Applicants will be referred to SDHC website at www.sdhc.org, which is linked to the HCV Homeownership page. Applicants will self-assess for eligibility using the Home of Your Own Pre-Qualification Tool, and if self-qualified, the applicant will download and complete the HCV Homeownership Program application. The application and all supporting documents will be submitted to the HCV Homeownership Assistant for review and further determination of eligibility.

1. Application Form

An applicant must complete and submit the Homeownership Application to the HCV Home Ownership Assistant for review. The application includes information on income, assets, obligations, and family composition, first-time homebuyer status, employment, etc.

2. Application Attachments

The last six (6) months of bank statements or other documentation verifying $3,000 in savings or an acceptable account that will be designated for the personal funds down payment requirement.

A completed and signed Homeownership Landlord Reference form.

A signed Authorization for Release of Information form.

If applicable, a verification of disability, if not on file.

The applicant must document household composition for all individuals who will reside in the household.

3. Application Review

Upon receipt of an HCV Homeownership Application, the HCV Homeownership Assistant determines whether an applicant meets the eligibility criteria for the program. The application review will include:

Evaluation of family composition and HCV rental status;

Review of income, savings, and disability documentation;

Verification that the applicant is in compliance with all lease provisions using SDHC Landlord Reference form;

Evaluation of employment history;

Verification of "good standing" requirements; and

Verification of other program requirements.

All documentation is subject to independent verification by SDHC program staff. The HCV Homeownership Assistant will review the file for discrepancies or omissions. If, at any time throughout the process, the HCV Homeownership Assistant sees a discrepancy in the information reported, the applicant will be required to correct the discrepancy before any further processing. SDHC shall perform an interim recertification, resolve whether further action is necessary, and report the outcome to the Director of the HCV Program or designee.

If, in the course of a loan application, a loan originator, or other third party, documents income not previously reported to SDHC, SDHC will conduct an interim recertification of income. Should the recertification result in a debt or proposed repayment agreement, SDHC shall retain sole discretion to withdraw the Certificate of Eligibility subject to the outcome of any grievance procedure related to the income discrepancy. The participant family must remain on the HCV program for an additional year, in good standing, before SDHC will further review the applicant for possible re-issuance of a Certificate of Eligibility.

E. DETERMINING "MORTGAGE READY" APPLICANTS

Applications for homeownership are date-stamped. Complete applications – those with all necessary attachments in place – are placed on a waiting list in order of date and time received and preferences.

A Certificate of Eligibility is awarded on a first-come, first-served based on HCV Homeownership preferences after a participant is determined eligible and "mortgage ready." SDHC will issue Certificates of Eligibility each fiscal year as set forth in SDHC's Moving to Work Plan and program goals.

The Certificate of Eligibility contains an estimate of the amount of HAP available to the family. This estimate is useful to the applicant and lender when determining income and debt ratios.

1. Incomplete Applications

Incomplete applications will not be reviewed and will be returned to applicants for completion. A checklist of application deficiencies will be attached to the incomplete application. Participants must correct all deficiencies noted on the checklist and resubmit the checklist, complete application, all attachments, and the last six months of bank statements verifying $3,000 in savings for additional consideration. Applications that are returned for incompleteness will be re-stamped and dated when they are returned complete.

2. Homeownership Counseling

SDHC partners will provide homeownership counseling after an acceptable application is submitted and before a Certificate of Eligibility is issued. An HCV applicant must attend and satisfactorily complete the pre-assistance counseling program within 12 months before the Certificate of Eligibility is issued. The counseling program includes, but is not limited to, the topics listed below. Applicants whom SDHC determines are not yet "mortgage ready" may be required to obtain additional information on any of the following issues:

Is homeownership right for the applicant

Special needs of disabled home buyers/fair housing issues;

Budgeting and money management;

Credit counseling;

How to negotiate the purchase price of a home;

How to obtain homeownership financing and loan pre- approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;

How to find a home, including information about homeownership opportunities, schools, and transportation services in the area;

Information about the Real Estate Procedures Act, State and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;

Home maintenance.

Upon completion of the pre-assistance counseling provided by partnership agencies, the applicant shall be scheduled for a homebuyer briefing by SDHC. The briefing will cover the following topics:

Certificate of completion;

Housing search;

Program operations, local obligations;

Taxes and IRS proration requirements of taxes if assisted by the program;

Inspection criteria, HQS requirements, special requirements in the contract for sale; and

Post purchase counseling.

Criminal Background Review (family completes the Statement of Criminal History Checks form);

Additional Income Verification and EIV;

Other Program Requirements, etc.; and

Execute HUD Statement of Homeowner Obligations and SDHC Statement of Homeowner Obligations.

A Certificate of Eligibility will be issued upon meeting all eligibility requirements.

F. Certificate of Eligibility

If the HCV Homeownership Assistant determines that a family meets minimum eligibility criteria, he/she may issue a Certificate of Eligibility to enable the applicant to shop for a home purchase. The HCV Homeownership Assistant will deliver the Certificate of Eligibility after completion SDHC's homebuyer briefing. The estimated HAP will be provided to the participant to assist in determining the maximum sales price and loan amount in the pre-qualification process in conjunction with their lender.

Whenever an opening occurs in the program, SDHC will select the next available qualified applicant for the final interview. The HCV Homeownership Assistant will interview the applicant to ensure that all the information contained in their Homeownership Application is current and that the applicant is eligible for homeownership.

The issuance of a Certificate of Eligibility does not guarantee that a participant will have the ability to secure a homeownership loan. Other considerations such as the housing market, an applicant's credit history, total indebtedness, and current income, will be factors that will determine a participant's ability to secure a home mortgage. All participants will qualify independently through a mortgage lender of their choice and must provide complete pre-approval/loan documents to the HCV Homeownership Assistant immediately for review.

The family will be issued an interim recertification packet with the Certificate of Eligibility. This packet must be returned to the HCV Homeownership Assistant with an executed Contract of Sale Addendum to Residential Purchase Agreement, and pre-approval/loan documents if not previously provided. Information must be up to date to the date of submission.

1. Changes in Family Size or Composition

All changes in family composition must be reported prior to the change to the HCV Homeownership Assistant. The Certificate of Eligibility will reflect the applicable subsidy standard SDHC assigns to the family based upon the family's size and composition. The final Housing Assistance Payment (HAP) will be issued based upon the subsidy standard applicable on the date of closing.

Any requested additions to the family prior to admittance to the Home of Your Own program must be approved by the HCV Homeownership Assistant. As a general rule, only additions due to birth, adoption, court-awarded custody, or marriage will be allowed at the family's admission to the Home of Your Own program. Other reasons for additions will be reviewed on a case-by-case basis.

GENERAL HOMEOWNERSHIP VOUCHER SIZE ISSUANCE CHART

VOUCHER SIZE	PERSONS IN HOUSEHOLD	
	Minimum	Maximum
0 Bedroom	1	1
1 Bedroom	1	4
2 Bedroom	2	6
3 Bedroom	4	8
4 Bedroom	6	10
5 Bedroom	8	12
6 Bedroom	10	14

2. Changes in the Payment Standards

The payment standard applicable on the date of closing establishes the baseline payment standard for the unit. If the payment standard changes between the issuance of the certificate and the date of commencement of homeownership assistance, SDHC will use the greater of the payment standard at issuance or commencement. SDHC will reissue a revised Certificate of Eligibility effective on the effective date of the new Payment Standard.

Utilizing MTW flexibility, the payment standards are not required to be tied to the HCV Rental Assistance Program payment standards. SDHC has determine appropriate payment standards for each bedroom size for the HCV Homeownership Program to better follow housing market trends and increase affordability.

G. ELIGIBLE UNITS

Eligible homes must be located within the respective geographic boundaries that govern SDHC's HCV rental program.

A family approved for homeownership assistance may purchase the following type of homes:

A new or existing home;

A single-family home;

A condominium;

A home in a planned use development, a cooperative, a loft or live/work unit;

A manufactured home, if situated on a privately owned lot or on a leased pad in a mobile home park.

If the family does not own fee title to the real property on which the home is located, the family must have the right to occupy the site for a period of at least forty (40) years and the home must have a permanent foundation.

A unit can be under construction at the time a family enters into the contract of sale. A unit is considered to be "under construction" if the footers have been poured. Newly constructed homes are eligible for assistance when the construction is 100% complete and available for occupancy.

For SDHC-owned or substantially controlled units all of the following conditions must be satisfied:

SDHC informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a SDHC-owned unit is freely selected by the family without SDHC pressure or steering;

The unit is not an ineligible housing unit;

SDHC obtains the services of an independent agency to review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any SDHC provided financing. All of these actions must be completed in accordance with program requirements. SDHC will obtain the services of a neighboring PHA or other independent HCV administering agency to perform these services, so long as the independent agency is operating a HCV Program.

For SDHC-owned or substantially controlled units or other available units in the market, project-based or unit incentives may be available. SDHC will refer an eligible family to the supplier. The person still has freedom of choice to select this or other units in the market.

For units not yet under construction:

Families may enter into contracts of sale for units not yet under construction at the time the family enters into the contract for sale. However, the PHA shall not commence homeownership assistance for the family for that unit, unless and until either:

1) The responsible entity completed the environmental review procedures required by 24 CFR part 58, and HUD approved the environmental certification and request for release of funds prior to commencement of construction; or

2) HUD performed an environmental review under 24 CFR part 50 and notified the PHA in writing of environmental approval of the site prior to commencement of construction.

H. FAMILY SEARCH AND OFFER TO PURCHASE

At the time the Certificate of Eligibility is issued, the family is placed in "home shopping status." The family has 180 days to locate and make an offer on a home, and secure a pre-approval letter from their

lender. The HCV Homeownership Assistant may recommend three additional 30-day extensions, not to exceed a total of 270 home shopping days. Additional 30-day extensions are available on a case-by-case basis, subject to approval by the Director of Rental Assistance or designee.

During a participant's search for a home, their housing choice voucher rental assistance shall continue. The participant family remains subject to all applicable rules and regulations.

The family is required to contact the HCV Homeownership Assistant once a month during the search period to provide home search progress updates. This contact may be made by phone call or by e-mail.

If a participant family is unable to locate and purchase a home within the timeframe approved by SDHC, the family may continue to receive rental assistance through their Housing Choice Voucher.

The family may not re-apply for the Home of Your Own Program until they have completed an additional full year of participation in the rental program following the expiration date of the Certificate of Eligibility.

SDHC may require additional homeownership counseling prior to issuance of a second Certificate of Eligibility. The participant must meet all other eligibility criteria of the program at the time of resubmission.

A unit is considered "located" if a letter from the lender has been issued to the participant and the buyer and seller have executed an 'earnest money' purchase agreement that includes SDHC's Addendum to the Residential Purchase Agreement.

I. CONTRACT OF SALE

Eligible homes must be located within the boundaries of SDHC's HCV Program. The seller cannot be an individual, company, or corporation who has been debarred, suspended, or is subject to a limited denial of participation by HUD or SDHC may deny approval of a seller for any reason provided for disapproval of a landlord under the voucher rental program regulations.

Before commencement of homeownership assistance, the homeownership applicant must enter into a contract of sale, or earnest money agreement, with the home seller.

SDHC will provide the buyer with an Addendum to the Residential Purchase Agreement. Both the buyer and seller must execute the earnest money agreement and Addendum.

The Addendum to the Residential Purchase Agreement shall contain the following provisions:

1) Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser.

2) Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser and SDHC.

3) Provide that the purchaser is not obligated to pay for any necessary repairs beyond the resources available to the family as determined by SDHC.

4) Specify that an HQS inspector be granted access to the property to perform an HQS inspection prior to closing. Homeownership assistance is contingent on satisfactory inspections by both inspectors and subject to approval by SDHC.

5) Specify that the seller has not been debarred, suspended, or subject to a limited denial of participation in a HUD program under 24 CFR.

6) Provide the opportunity for the purchaser's option to have a lead based-paint assessment at the purchaser's expense within 10 days of the contract for sale.

J. HOME INSPECTIONS

Two home inspections are required prior to occupancy:

1. An independent home inspection, and

2. An HQS inspection.

1. Independent Home Inspection

HUD regulations require a home inspection by an approved independent, professional home inspector. The family is required to select and pay for a home inspector to identify any physical defects and determine the condition of the major building systems and components. The buyer and SDHC must receive a written report of this examination describing the observable major defects, required repairs and/or accessibility modification requirements.

The inspector shall also be acceptable to the local lending institutions. In all cases, the inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems. The unit must pass a termite or wood destroying organism report and any other requirements as determined by the State.

SDHC may not require the family to use an independent inspector selected by SDHC. The independent inspector may not be a SDHC employee or contractor, or other person under control of SDHC. However, SDHC has established standards for qualification of inspectors selected by families under the homeownership program.

SDHC and the family will discuss the results of the inspection and determine if any pre-purchase repairs are necessary. ICBO inspections performed by an independent inspector, performed at periodic points in the homebuilding process, may be utilized. The cost of the ICBO inspection is included in the cost of the home. SDHC may disapprove the unit for purchase based on the results of the independent inspection.

2. Housing Quality Standards (HQS) Inspection

A Housing Quality Standards (HQS) inspection is required whenever the home is 100% ready for occupancy. The condition of the home must satisfy HQS standards before commencement of homeownership assistance. SDHC will conduct a Housing Quality Standards (HQS) inspection first, and if satisfactory, then require the independent inspection.

No further HQS inspections are required if CalFHA or specific lender requirements preclude the HQS after the initial inspection. However, SDHC reserves the right to conduct interim HQS inspections before continuing to provide yearly homeownership assistance. SDHC may exercise this option during the first recertification cycle, or if it has reason to believe the home would no longer meet HQS standards, or has reason to believe that unauthorized individuals are living in the household, or if required by HUD or other program violations.

Non-compliance with HQS standards may jeopardize a family's housing assistance payment. If the home does not pass the initial HQS inspection, the HCV Homeownership Assistant will discuss with the purchasing family whether it would be more feasible to locate another home to purchase, or to have the needed repairs completed prior to the sale.

K. FINANCING AND AFFORDABILITY OF PURCHASE

It is the responsibility of the family to secure financing for the home purchase. The issuance of the Certificate of Eligibility does not guarantee that a family has the ability to secure financing for a home purchase. The HCV Homeownership Assistant and/or partner agencies will provide guidance to potential homebuyers to ensure they avail themselves of various down payment assistance programs, optimum loan packages, mortgage interest rates, and ways to avoid predatory lending practices. SDHC reserves the right to implement a maximum home price for the HCV Homeownership program, to ensure affordability of purchase.

At its discretion and in consultation with the mortgage lender(s), SDHC will pay homeownership payments either directly to the mortgage lender(s), to the family or into a trust account. If SDHC opts to pay into a trust account, SDHC and the family will pay their appropriate portion of the mortgage payment directly into the account on a monthly basis. Neither SDHC nor the family will be able to withdraw monies from the trust account without written permission of the lender(s), SDHC and the family. The mortgage lender(s) will withdraw the appropriate mortgage payment from the account on a monthly basis. If SDHC opts to pay the lender(s) directly or pay into a trust account and the assistance payment exceeds the amount due the lender(s), SDHC will pay any excess directly to the family.

1. Down Payment Requirement

The purchasing family is required to invest at least $3,000 of their own funds, which may not be a gift or a loan. This investment can take the form of a down payment, closing costs, or a combination of the two.

The buyer may acquire financing through any SDHC approved lender. If the home is purchased using FHA mortgage insurance, it is subject to FHA mortgage insurance requirements.

Qualified participants may use the value of rental assistance as a form of "income" to help them qualify for a mortgage. The lender will determine the application of HAP to the mortgage model, subject to approval by SDHC. Their assistance may be applied directly against their mortgage payment, therefore enabling a borrower to qualify for a home purchase.

There is no prohibition against using local/state grants or other subsidized financing in conjunction with the Housing Choice Voucher Homeownership Program. The program can be combined with a variety of mortgage loan products and other HUD programs to assist a potential homebuyer in achieving the most favorable interest rate and terms of purchase.

2. Foreclosure Incentives

SDHC may offer incentives to participants who elect to purchase foreclosed properties within its jurisdiction. These incentives will be subject to funding availability and applicant/unit eligibility.

An incentive of $10,000 per eligible family may be granted and used as down payment assistance, closing costs and/or SDHC pre-approved home repairs to bring a unit to HQS compliance before housing assistance begins. The funds may only be used for the purposes listed above; if the funds required for the above are less than $10,000, the lesser amount will be granted.

From MTW funds, SDHC may pay the entire mortgage payment(s) for the first two months of homeownership.

Please note that families who purchased a home under the previous Foreclosure Incentives (during Fiscal Years 2009-2011) will not have their assistance timeframe shortened as indicated in previous Administrative Plans.

3. Lending Partners

SDHC may not influence a family's choice of lending options by limiting the use of homeownership assistance to particular units, neighborhoods, developers, lenders or require a family to use a set financing approach. However, HUD encourages local public housing authorities to develop partnerships with lenders to better serve the needs of families. SDHC will counsel the family to avoid predatory lenders or lending practices. SDHC will review any financing package that arises from any lender approved by SDHC.

4. Underwriting Options

The following underwriting options are suggested under this program. The lender will decide upon the option based upon income and borrower qualifications determined on a case-by-case basis by the lender, and dependent upon the specific loan products utilized. However, because of the high cost market and other conditions, SDHC has determined the most feasible model for the program in the area is the Two Mortgage Approach and has established partners to be successful by using this model.

Option One: Deduct HAP from Principal, Interest, Taxes & Insurance (PITI)

The borrower's HAP is applied directly to the PITI, and the housing debt to income ratio is calculated on the "net housing obligation" of the borrower.

Option Two: Add HAP to Borrower's Income

Calculate total income as a combination of the tax-exempt HAP (grossed up by 25%) and the borrower's income from employment using underwriting ratios specific to the loan product being used.

Option Three: Two-Mortgage Approach

Borrower qualifies for the first mortgage (PITI) using the family's income. The HAP is used to qualify the P&I for a second mortgage.

5. Loan Restrictions

Mortgages with negative amortization, interest-only, adjustable or variable interest rates are not allowed under this program. The buyer may not enter into private seller financing. Lease-purchase agreements will be explored on a case-by-case basis subject to changing conditions in the market.

SDHC reserves the right to review lender qualifications and the loan terms before authorizing homeownership assistance. SDHC may disapprove proposed financing of the debt if SDHC determines that the debt is unaffordable. In making this determination, SDHC will take into account family expenses such as childcare, un-reimbursed health and medical care expenses, homeownership expenses, and other family expenses, in addition to the participant's income.

On the initial purchase, SDHC has determined it will use an affordability cap that the family share can be no greater than 45% of their adjusted income. Family share will be the homeowner expenses less the HAP.

SDHC must review and approve any proposed refinancing of the property and any requests to open home equity lines of credit.

Refinancing the property, without prior written approval from SDHC, may result in termination of the HCV Homeownership assistance.

In making its determination, SDHC will take into account the reason(s) for the request to refinance, as well as the current assets and liabilities of the family, and how the refinancing will affect the total tenant payment. Homeownership assistance may continue if refinancing is approved, but will be limited to the remaining term on the initial mortgage loan.

L. CONTINUED ASSISTANCE: FAMILY OBLIGATIONS

Before a family is allowed to search, the family and SDHC must execute a HUD prescribed "Statement of Homeowner Obligations." In the statement, the family agrees to comply with all obligations under the homeownership option. The initial "Statement of Homeowner Obligations, HUD-52649" will be reviewed and executed at SDHC HCV homeownership eligibility interview.

The family must also execute SDHC Statement of Family Obligations, which details the additional SDHC HCV Homeownership Program obligations.

1. Continuous Reporting Requirements

SDHC will reexamine the family's income and composition on an annual basis. All Home of Your Own participant families will be excluded from the MTW biennial recertification cycle.

After purchase of the home, the family must continue to adhere to the "HUD Statement of Homeowner Obligations" and the "Housing Commission Statement of Family Obligations" in order to continue to

receive the monthly housing assistance payment. The "Housing Commission Statement of Homeowner Obligations" and the "HUD Statement of Homeowner Obligations" will both be reviewed by the family and signed at each annual recertification.

A new Certificate of Housing Assistance Payment and, if a change in lenders, a new Servicing Agreement must be signed prior to any change in the housing assistance payment. Working families are required to annually document continued compliance with the full-time work requirement of the program by annual completion of the HCV Homeownership Personal Declaration and independent verification.

A family must disclose all changes in writing in income within ten (10) calendar days of the change and at the annual recertification. Failure to disclose or accurately report changes will jeopardize a family's continued participation in this program. A family may not add an adult household member without prior SDHC approval. SDHC will deny admission to any individual who would otherwise not qualify for admission to the program due to criminal history, drug related history, program violations, registry on a sex-offender list or other factors used to determine eligibility.

Participant must agree to attend post-purchase counseling sessions in conjunction with acceptance into this program to continue to receive assistance. SDHC may require families who become delinquent on their mortgage payments to participate in additional homeownership and/or credit counseling classes.

SDHC may deny or terminate assistance for violation of participant obligations as described in the "HUD Statement of Homeowner Obligations", SDHC Statement of Family Obligations or other program requirements.

2. Continuous Employment Obligations

The applicant head of household, spouse, or adult on the mortgage document must remain continuously employed (average of no less than 35 hours per week) while participating in the program.

Part-time employment by both parties, totaling over 35 hours per week, does not constitute full-time employment by either party.

For continued eligibility purposes, continuous employment is defined in two ways:

Continuous employment by the head, spouse or adult on the mortgage document defined as full time employment (average of no less than 35 hours per week) with no gap in employment lasting more than four weeks total (35 hours x 48 weeks = 1,680 hours) or,

Earned income received by the head, spouse or adult on the mortgage document during the past year greater than the state minimum wage times 2,000 hours.

The employment requirement is not applicable to elderly or disabled families.

3. Mitigating Circumstances and Hardship Policy

If a working family is subsequently determined by SDHC to now qualify as a "disabled family," as defined by HUD, the full-time employment requirement is no longer applicable to that family.

SDHC will consider mitigating circumstances where certain lapses in employment prohibit the family from meeting its continuous employment obligation. These include receipt of Unemployment Insurance

Benefits due to layoff; absences defined under the Family Medical Leave Act receipt of Workman's Compensation benefits.

SDHC will allow week-for-week substitutions whenever of any of these benefits are received.

The participant must return to full-time employment within 30 days after exhaustion of unemployment benefits. Failure to return to full-time employment (average of no less than 35 hours per week) within 30 days will generate a 60-day Notice to Correct. Failure to correct will result in a correctable 30-day Notice of Termination.

A participant who is employed but is on leave from work due to maternity leave, FMLA or is receiving Workman's Compensation, is exempt from the full-time employment requirement during the period of approved leave from work. A participant must return to full-time employment within 30 days after exhaustion of applicable benefits. Willful failure to return to full-time employment (an average of no less than 35 hours per week), after 30 days, will generate a 60-day Notice to Correct. Failure to correct will result in a correctable 30-day Notice of Termination.

Consideration of other mitigating circumstances is at the discretion of the HCV Homeownership Assistant recommendation to the Vice President of Rental Assistance. Determinations of the Vice President are made on a case-by-case basis.

4. Guests and Changes in Family Composition

All changes in family composition must be reported to the HCV Homeownership Assistant. The birth, adoption, or court-awarded custody of a child must be reported in writing with in ten (10) calendar days. All other new family members, including foster children, must be approved as eligible residents before moving into the residence.

Family guests are permitted for a period not to exceed 30 days in any calendar year. SDHC may consider persons who exceed the 30-day occupancy limit, or who use the residence as a personal mailing address, unauthorized family members. The family may be in violation of their family obligations and SDHC may take appropriate action up to and including termination of assistance.

5. Other Continued Family Obligations

By completing the HUD Statement of Homeowner Obligations and SDHC's Statement of Homeowner Obligations Addendum prior to the issuance of the Certificate of Eligibility, the family agrees to comply with all family obligations under the Homeownership Program, including but not limited to:

The family must comply with the terms of any mortgage securing debt incurred to purchase the home or any refinancing of such debt.

At any time during which the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.

A home equity loan or any refinancing may not be acquired without the prior written consent of SDHC.

The family must provide required information regarding income and family composition in order to correctly calculate the total tenant payment (TTP) and homeownership assistance, consistent with the

HCV requirements and any other information requested by SDHC concerning financing, the transfer of any interest in the home, or the family's homeownership expenses.

While receiving homeownership assistance, the family must notify SDHC within ten (10) calendar days if the family defaults on a mortgage securing any debt incurred to purchase the home.

While receiving homeownership assistance, the family must notify SDHC thirty (30) days before the family moves out of the home.

Request and receive SDHC approval in writing to add other family members, including foster children, or live-in aide as an occupant prior to moving them into the assisted unit;

Report to SDHC in writing within ten (10) calendar days the birth, adoption, or court awarded custody of a child, except for foster children;

Notify SDHC within ten (10) calendar days if any family member no longer resides in the unit;

Supply true and complete information;

The family must, at annual recertification, document that the family is current on mortgage, insurance, escrow accounts, maintenance and major repair reserve account, HOA and COA fees, and utility payments.

The family is prohibited from moving more than one (1) time in a one (1) year period. The family may be required to participate in pre- and post-purchase homeownership counseling prior to re-housing.

While receiving homeownership assistance, no family member may have any ownership interest in any other residential property.

Sign a release allowing SDHC, counselors, realtors, and participating lenders to exchange information on the borrower.

Allow the family's portion of the payment to be collected by a lender through a mandatory electronic withdrawal. Funds for electronic withdrawal must be available between the first and 5th of each month.

Agree to maintain the condition of the home to comply with minimum HUD Housing Quality Standards (HQS).

Acknowledge that the termination of assistance shall be in accordance with program requirements and the Administrative Plan.

Acknowledge that the family is obligated for the whole mortgage payment(s) in the event of termination of assistance.

Disclose any and all changes of family income in writing within ten (10) calendar days of the change to SDHC.

In the case of a non-elderly/non-disabled family, continue to fulfill an employment requirement of an average minimum of 35 hours per week. In case of unemployment, an adult homeowner will re-secure employment within 30 days of the termination of unemployment benefits, unless a documented hardship exists.

Agree that the family must notify SDHC within three (3) days of any late payment, delinquency notices, or default notices and must agree to participate in default counseling with a designated agency to become current.

Agree to attend all identified pre-purchase, financial, homeowner or post-purchase counseling during time of assistance.

Agree to the continued employment requirement as stated in SDHC's Administrative Plan.

SDHC requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any SDHC approved withdrawals. The maximum maintenance and major repair reserve required by SDHC is $15,000.

Agrees that should they itemize deductions for IRS taxing purposes, they shall deduct in accordance with the IRS opinion that provides for a prorate deduction of the interest on a homeownership mortgage and homeownership taxes.

Other factors as determined by SDHC local statement of homeowner obligations.

The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

The homeownership family may not rent out their home for profit while receiving homeownership assistance.

M. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

For nonelderly/nondisabled households, homeownership assistance is available for a maximum 15-year term for mortgages with a 20-year or longer term and a maximum 10-year term in all other cases. The term is calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan.

Families that qualify as a disabled family at the commencement of homeownership assistance, or at any time during the provision of homeownership assistance, are not subject to the 15-year term limitation. Homeownership assistance is available for a disabled family as long as the family remains eligible for the program.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled family, the family will continue to be eligible for the homeownership assistance, subject to eligibility requirements of the Housing Choice Voucher program. The term of assistance will change to a maximum of 15-years for mortgages with a 20-year or longer term and a maximum ten-year term in all other cases. This term will be calculated from the date of issuance of the first housing assistance payment on the initial mortgage loan. If the family has already received homeownership assistance for a full 15 year term from the date of the issuance of the first housing assistance payment on the initial mortgage loan, the

family will be provided with an additional 6 months of homeownership assistance and will then be terminated.

In the case of an elderly family, the maximum term is for as long as they are eligible, provided the family qualifies as an elderly family at the start of homeownership assistance. If the family becomes an elderly family during the course of the homeownership assistance, they will still be subject to the 10/15 year maximum term rule.

Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue, pending settlement of the decedent's estate. The home must be solely occupied by remaining family members in accordance with [24 CFR 982.551(h)].

For a nonelderly/nondisabled family, the total homeownership assistance (HAP) received by a family, whether on different homes or through different public housing agencies, cannot exceed the eligible term of assistance based on the term of the initial mortgage loan.

N. HOUSING ASSISTANCE PAYMENT (HAP)

While the family is residing in a homeownership unit, the HAP is equal to the lower of:

The payment standard minus the total tenant payment, or

The monthly homeownership expenses minus the total tenant payment.

The family is responsible for all monthly homeownership expenses not reimbursed by the housing assistance payment.

Homeownership expenses include:

Principal and interest on the initial mortgage debt and any refinancing of such debt;

Any mortgage insurance premium incurred to finance the purchase of the home;

Real estate taxes and public assessments on the home;

Home insurance;

Cooperative or condominium operating charges or maintenance fees assessed by the condominium or cooperative homeowner association;

HOA fees for a housing unit:

SDHC allowance for maintenance expenses;

Monthly maintenance allowance: The monthly maintenance allowance will be the annual maintenance allowance, divided by twelve. The maintenance allowance is a flat rate and does not vary by bedroom size;

Monthly maintenance allowance = $50 per unit

SDHC allowance for costs of major repairs and replacements;

Monthly major allowance: The monthly major allowance will be the annual major allowance, divided by twelve. The major allowance is a flat rate and does not vary by bedroom size;

Monthly major repair/replacement allowance = $50 per unit;

If the unit is a condominium and has the condominium fee that includes provisions for capital improvements, the major repair/replacement allowance will be $25 per unit;

SDHC utility allowance for the home; and

Principal and interest on debt incurred to finance major repairs, replacements or improvements on the home.

For an individual with disabilities, such debt may include those costs incurred by the family to make the home accessible.

O. PAYMENT STANDARD/SUBSIDY STANDARD

For homeownership assistance, the payment standard for the family is the lower of:

The payment standard for the family unit size, or

The payment standard for the size of the home purchased (number of bedrooms in the house).

At the annual anniversary, SDHC will apply a payment standard that is the greater of:

The payment as calculated in Section M, above, at the commencement of homeownership assistance, or

SDHC payment standard for family unit size, used at its most recent annual anniversary. [24 CFR 982.635]

The SDHC subsidy standards determine the bedroom-size that SDHC assigns to the family based upon its size and composition. The subsidy standards are approved by SDHC Board of Commissioners; they generally remain the same from year to year and are available on SDHC web page. The initial subsidy standard applied to a homeownership family is the same standard used for the rental program. SDHC may adopt subsidy and occupancy standards different from the rental standards in the future based on MTW deregulation status. If the payment standard changes between the issuance of the Certificate of Eligibility and the date of commencement of homeownership assistance, SDHC will use the greater of the payment standard at issuance or commencement.

The respective payment and subsidy standard applicable on the date of closing establishes the baseline payment and subsidy standards for the unit. The payment standard for subsequent years is the greater of the payment standard at the commencement of homeownership assistance or the payment standard at the most recent annual re-examination. Unlike the voucher rental assistance program, the initial payment standard shall be the base for future housing payments. The payment standard shall not drop below the initial amount due to changes by HUD or due to changes in family composition.

P. PORTABILITY

SDHC will permit portability of HCV homeownership assistance to another jurisdiction subject to SDHC policies governing portability. However, the family will lose all MTW flexibility and will be subject to the rules and regulations of the receiving jurisdiction. The receiving jurisdiction must operate a HCV Homeownership Program for which the applicant qualifies and it must be willing to administer new homeownership families. In order to remain eligible for the program, the participant must sell the current home purchased under the HCV Homeownership Program and incur no mortgage default.

SDHC will also accept families from another HCV Homeownership Program subject to SDHC admission requirements for the homeownership program. It will administer the voucher if approved for homeownership.

Q. MOVE WITH CONTINUED TENANT-BASED ASSISTANCE

A family receiving homeownership assistance may move to a new unit with continued assistance. A family member must not own any title or other interest in the prior home and may not move more than once per year. SDHC will review all requests to move with continued tenant-based assistance and may deny permission to move based on lack of sufficient funding to provide continued assistance or based upon the violations listed in this document.

R. FORECLOSURE OF ASSISTED HOMES

It is the family's responsibility to notify SDHC if they move into the foreclosure process. Once SDHC is aware that the foreclosure process has begun, the following steps will be taken:

The HAP will be placed on hold.

The family will be contacted to discuss the foreclosure.

SDHC will work with the family and/or lender to determine when the last mortgage payment was made.

A written request will be sent to the family to return all HAP payments made from the date the last mortgage payment was made.

A repayment agreement will not be allowed; all funds must be repaid within 30 days from the date of the request letter.

If the funds are not returned within that time, the case will be referred to PIU. The family may be terminated and the debt may be referred to a debt collection agency.

SDHC will review foreclosures on a case-by-case basis to determine whether the family will be allowed to remain a program participant.

S. TERMINATION OF HOMEOWNERSHIP ASSISTANCE

A family's homeownership assistance may be terminated if a family fails to comply with its obligations under the HCV Homeownership Program or if the family defaults on the mortgage.

1. Failure to Comply with Homeowner Obligations

The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide SDHC with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; notification of the family's household composition and income and homeownership expenses on an annual basis; and any notice of mortgage default received by the family. Except as otherwise specified in this plan, the family may not convey or transfer the home to any entity or person.

Homeownership assistance may be denied or terminated in accordance with any of the provisions listed at 24CFR 982.638 and/or SDHC requirements.

2. Occupancy of Home

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, SDHC will not continue homeownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse SDHC for homeownership assistance paid for the month the family moves out.

3. Changes in Income Eligibility

SDHC may adjust a family's homeownership assistance based upon changes in family income. The effective change shall occur the first day of the month following the month in which a recertification of income occurred.

Participation in the HCV Homeownership Program shall continue until such time as the assistance payment amounts to zero for a period of six consecutive months. At that time the family will no longer be eligible and the HAP will be terminated. However, should the family go to zero HAP, for 180 consecutive days, SDHC reserves the right to extend the period past 180 days, should there be documented extenuating circumstances for an extension to the time period. Such documented extenuating circumstances include but is not limited to:

Death in the family;

Loss of employment or income due to no fault of the family; and/or

Documentation of a medical or financial hardship beyond the control of the family for a member of the assisted household.

4. Refusal to Meet Continuous Work Requirement

SDHC may terminate a working family's homeownership assistance based on a willful refusal to adhere to, or properly document, the full-time employment requirement.

5. Family Requests a Return to Rental Assistance

If a family requests to return to rental assistance, SDHC may provide the family with a rental voucher, provided there is no mortgage loan default and the family has met all obligations under the HCV Program. The family must sell the home before SDHC provides rental assistance. Requests will be reviewed on a case-by-case basis.

T. MORTGAGE DEFAULT

If a family defaults on a mortgage, SDHC will terminate assistance. If a hardship exemption is requested, mitigating circumstances may be reviewed. Any decision to approve or deny rental assistance is based on HCV rental program policies and procedures addressed in SDHC Administrative Plan.

If an applicant family includes an individual who, as an adult, previously experienced a mortgage default under the HCV Homeownership Program, that family will be denied admission to the HCV Homeownership Program.

U. INFORMAL HEARINGS [24 CFR 982.555]

An informal hearing will be provided for participants who are being terminated from the Program because of the family's action or failure to act as provided in 24 CFR 982.552. The rules and procedures set forth in the Administrative Plan, entitled “Informal Hearings,” will apply.

V. RECAPTURE [24 CFR 982.640]

SDHC will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit. The HCV Homeownership recapture provision does not apply to any other program funds that may be used in the transaction. The First-time Homebuyer Deferred Loan program administered by SDHC will be recaptured upon sale, refinancing or at the end of the 30-year fixed mortgage, whichever occurs first. Any down payment assistance provided by SDHC, from any funding source, or partners may be recaptured if the family sells, refinances, or disposes of the property.

RESERVED

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF Annual Adjustment Factor. A factor published by HUD in the Federal Register that is used to compute annual rent adjustment.

ACC Annual Contributions Contract

ADA Americans with Disabilities Act of 1990

AMI Adjusted Monthly Income

AMP Address Match Program

BMIR Below Market Interest Rate

BR Bedroom

CDBG Community Development Block Grant

CFR Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of federal rules that are first published in the Federal Register and define and implement a statute.

COLA Cost of Living Adjustment**.** Published increases or decreases to be used for adjusting, Social Security, and Veteran's Benefits income amounts.

CPI Consumer Price Index. The CPI is published monthly by the Department of Labor as an inflation indicator.

EHV Emergency Housing Voucher

EIV Enterprise Income Verification System. HUD's computer matching up front verification (UIV) tool between HUD, Health & Human Services (HHS) and Social Security Administration (SSA)

ELI Extremely low income

FDIC Federal Deposit Insurance Corporation

FHA Federal Housing Administration

FICA Federal Insurance Contributions Act - Social Security taxes

FMR Fair Market Rent

FUP	Family Unification Program
FY	Fiscal Year
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act
HMIS	Homeless Management Information System
HOME	Home Investment Partnership Program
HOTMA	Housing Opportunities through Modernization Act
HQS	Housing Quality Standards
HUD	The Department of Housing and Urban Development or its designee.
HURRA	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations
HYO	Home of Your Own
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Account
LAP	Language Access Plan
LEP	Limited English Proficiency.
MOU	Memorandum Of Understanding
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau

MTW	Moving to Work
NCR	National Credit Reporting
NED	Non Elderly Disabled
NEPD	Non-Elderly Persons with Disabilities program
NIMH	National Institute of Mental Health
PHA	Public Housing Agency
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
PTS	Path to Success
QA	Quality Assurance
RFP	Request for Proposals
RFTA	Request for Tenancy Approval
RTO	Rent to Owner
SBV	Sponsor Based Vouchers
SDHC	San Diego Housing Commission
SRO	Single Room Occupancy
TBRA	Tenant Based Rental Assistance
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
UIV	Upfront Income Verification
VASH	Veterans Affairs Supportive Housing
VAWA	Violence Against Women Act

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

ADMINISTRATIVE PLAN The HUD required written policy of the PHA governing its administration of the Section 8 Voucher program. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD.

ABSORPTION In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE") Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used is the source of additional payments for the program.

ACTIVE U.S. SERVICEPERSON A person in the active military of the United States.

ADDRESS MATCH PROGRAM Law enforcement entities including, but not limited to, the San Diego Police Department, Sheriff's Office and HUD Office of the Inspector General, can provide SDHC with arrest sheets for drug/violent crime arrests at subsidized housing units or for persons listing subsidized housing as their place of residence. SDHC can provide to the police a current list of subsidized units every month.

ADJUSTED INCOME Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE Fee paid by HUD to the PHA for administration of the program.

ADMINISTRATIVE FEE RESERVE *(Formerly "Operating Reserve")* Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

ADMISSION The effective date of the execution of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

ALCOHOL ABUSE Abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

ANNUAL BUDGET AUTHORITY The maximum annual payment by HUD to a PHA for a funding increment.

ANNUAL CONTRIBUTIONS CONTRACT (ACC) A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

ANNUAL INCOME The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES The Annual Income (described above) less the HUD-approved allowances.

ANNUAL RECERTIFICATION The process of securing documentation and verification of the family's income and household composition used to determine the rent the family will pay. The term is sometimes called recertification.

APPLICANT (or applicant family) A family that has applied for admission to a program, but is not yet a participant in the program.

AREA EXCEPTION RENT Rent based on a HUD- approved payment standard amount that is higher than the basic range for a designated part of the fair market rent area *("exception area")*.

ASSETS *(See Net Family Assets.)*

ASSISTED TENANT A person or family who pays less than the market rent and in receiving rent subsidies

BIENNIAL INSPECTION A unit passing two consecutive, initial/annual, inspections on the first inspection appointment, is eligible for an inspection every two year.

BIENNIAL RECERTIFICATION The process of securing documentation and verification of the family's income and household composition used to determine the rent the family will pay. Families will have a full recertification every other year rather than annually. The term is sometimes called recertification.

BUDGET AUTHORITY An amount authorized and appropriated by the Congress for payment to PHA's under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

CalWORKS The current name for welfare that aids families with dependent children.

CHILD CARE EXPENSES Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further their education.

CHRONICALLY HOMELESS A person who is ''chronically homeless'' is, or can be; an unaccompanied homeless individual with a disabling condition; children (with disabilities and without disabilities) who are homeless with their parents; parents (with disabilities and without disabilities) who are homeless and who have children with them; youth on their own without disabilities; unaccompanied individuals without disabilities; unaccompanied individuals who are unwilling to be declared disabled. Can include a person, who has completed a preliminary stay in a short-term treatment facility (this participant would retain the status of ''chronically homeless'' as long as they "entered" into the treatment program while meeting the definition of ''chronically homeless''). And

has either been continuously homeless for six (6) months or more, OR has had at least two (2) episodes of homelessness in the past three (3) years.

has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations including:

welfare hotels; congregate shelters; transitional housing for the mentally ill; an institution that provides a temporary residence for individuals intended to be institutionalized; a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

CO-HEAD An individual in the household who is equally responsible for the lease with the Head of Household. *(A family never has a Co-head and a Spouse and; a Co-head is never a Dependent)*.

CONGREGATE HOUSING Housing for elderly persons or a person with a disability that meets the HQS for congregate housing.

COOPERATIVE A dwelling unit owned and or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

COORDINATED ENTRY SYSTEM (CES) A client-centered process that streamlines access to the most appropriate housing intervention for each individual or family experiencing homelessness.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT *(Consolidated ACC)* See 24 CFR 982.151.

CONTIGUOUS MSA In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

CONTINUOUSLY ASSISTED An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

CONTRACT *(See Housing Assistance Payments Contract)*

DAY LABORER An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

DEPENDENT A member of the family (which excludes foster children and foster adults) other than the family head or spouse , who is under 18 years of age, or is a person with a disability, or is a full-time student.

DISABILITY ASSISTANCE EXPENSE Anticipated costs for care attendants and auxiliary apparatus for disabled family members that enable a family member (including the disabled family member) to work.

DISASTER HOUSING ASSISTANCE PROGRAM Specifically funded Housing Vouchers provided by HUD via FEMA to provide rental assistance subsidy to victims of natural disasters, such as Hurricane Katrina.

DISPLACED PERSON/FAMILY A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

DOCUSIGN DocuSign is an Electronic signature service for documents/agreements that need to be signed by clients. SDHC Staff can send PDF files (Internal, uploaded or generated by Print Templates) to Clients, Landlords, Partners or Vendors and get the document signed electronically.

DOMICILE The legal residence of the household head, spouse, or co-head as determined in accordance with state and local law.

DRUG-RELATED CRIMINAL ACTIVITY The illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance. Drug-related criminal activity means on or off the premises, not just on or near the premises.

DRUG TRAFFICKING The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance *(as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))*.

DISASTER VOUCHER PROGRAM Specially funded Voucher Program by HUD for victims of natural disasters.

EARNED INCOME means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits

EIV The EIV System is a web-based application, which provides PHAs 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 all PHAs nationwide. 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.

ELDERLY/DISABLED FAMILY Families in which 100% of adults are, 62 years or older, disabled, or a full-time student (18 to 23 years old) not including the head of household, spouse or co-head. The family may have any kind of income. (e.g. wages, SSI, SSA, VA, Retirement)

ELDERLY PERSON A person who is at least 62 years old.

ELIGIBLE FAMILY (Family) A family as defined by the PHA in the Administrative Plan.

EMERGENCY HOUSING VOUCHER PROGRAM The Emergency Housing Voucher (EHV) program is made available through the American Rescue Plan Act (ARPA). Through EHV, HUD awarded housing choice vouchers to SDHC in order to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability

EXCESS HEALTH AND MEDICAL CARE EXPENSES Any health and medical care expenses incurred by elderly or disabled families only in excess of 3% of Annual Income that are not reimbursable from any other source.

EXTREMELY LOW-INCOME FAMILY A family whose annual income does not exceed 30% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

FAIR MARKET RENT (FMR) The rent including the cost of utilities (except telephone) that would be required to be paid in the housing market area to obtain privately owned existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the Federal Register.

FAMILY A family is either a single person, or two or more people and includes:

A household with or without children. A child who is temporarily away from home due to placement in foster care should be considered a member of the family.

An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.

A disabled family, which means a family whose head, co-head, spouse, or sole member is a person with a disability; or two or more persons with a disability; or one or more persons with a disability with one or more live-in aides.

A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.

A remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.

A single person who is not an elderly or displaced person, or a person with a disability, or the remaining member of a tenant family.

A single person, who may be an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older

FAMILY OF VETERAN OR SERVICE PERSON A spouse or ex-spouse that has not remarried.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM) The program established by a PHA to promote self-sufficiency of assisted families, including the provision of an escrow account.

FAMILY SHARE The family's rent amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIFICATION PROGRAM The PHA collaborates with Child Welfare Agencies (CWA) to provide timely housing voucher assistance for reunifying families or for families whose children are at risk of out-of-home placement due to inadequate housing. FUP provides CWA families with Section 8 rental assistance. Additionally, the program provides vouchers, for youth at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and are homeless or are at risk of becoming homeless at age 16 or older

FAMILY UNIT SIZE The size of the voucher issued to the family based on the PHA's subsidy standards.

FMR/EXCEPTION RENT LIMIT The fair market rent published by HUD headquarters. In the voucher program the PHA may adopt a payment standard up 110% of the FMR/exception rent limit.

FOSTER ADULT A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

FOSTER CHILD A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (*e.g.,* public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

FOSTER CHILD CARE PAYMENT Payment to eligible households by state, local, or private agencies appointed by the state, to administer payments for the care of foster children.

FULL-TIME STUDENT (MTW) A full time student age 18 – 23, who is not a Head, Spouse or Co-head, and attending school or vocational training on a full-time basis as defined by the institution.

FULL-TIME STUDENT (NON MTW) A person who is attending school or vocational training on a full-time basis as defined by the institution.

FUNDING INCREMENT Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

GROSS RENT The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

GROUP HOME A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or a person with a disability *(including any live-in aide)*.

HAP CONTRACT *(See Housing Assistance Payments contract)*

HARDSHIP EXEMPTION: Eligible applicants or participants may request an exception to the minimum rent requirement if they are experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

HEAD OF HOUSEHOLD The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HEALTH AND MEDICAL CARE EXPENSES Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payment for treatments affecting any structure or function of the body. The total health and medical care expenses, including medical insurance and long term care insurance premiums that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. A deduction for Elderly/Disabled Households only.

HOMELESS (Literally Homeless) means an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) Has a primary nighttime residence that is a public or private place not meant for human habitation;

(ii) is living in a 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 and local government programs); or

(iii) is exiting an institution where (s)he has 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

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) An official standard approved by HUD for capturing, storing and sharing provider, client and service information.

HOMELESS VETERAN A person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.

HOME OF YOUR OWN The SDHC's Housing Choice Voucher Homeownership Program. Eligible participants are able to purchase a home and use the monthly homeownership assistance payment toward their mortgage(s)

HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT (HOTMA) Act signed into law on July 29, 2016. It amends the U.S. Housing Act and other housing laws to modify multiple HUD programs and the Department of Agriculture's single family housing guaranteed loan program.

HOUSING AGENCY A state, country, municipality or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian housing authority (IHA). ("HA" and "PHA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was re-codified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT The monthly assistance payment by a PHA. The total assistance payment consists of:

A payment to the owner for rent under the family's lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP contract) A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING ASSISTANCE PLAN (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING FIRST Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to or as a condition of permanent housing.

HOUSING QUALITY STANDARDS (HQS) The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD REQUIREMENTS HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations, Federal Register notices or other binding program directives.

IMPUTED ASSET Asset disposed of for less than Fair Market Value during two years preceding examination or recertification.

IMPUTED INCOME HUD passbook rate times total cash value of assets. Calculation used when assets exceed $5,000.

INDEPENDENT CONTRACTOR An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

INITIAL PHA In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER The rent to owner at the beginning of the HAP contract term.

INCOME Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY Annual Income.

INDIAN Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

INDIAN HOUSING AUTHORITY (IHA) A housing agency established either:

By exercise of the power of self-government of an Indian Tribe, independent of state law, or

By operation of state law providing specifically for housing authorities for Indians.

INTEREST REDUCTION SUBSIDIES The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgages of Section 236 projects and front-end loan discounts paid on BMIR projects.

JURISDICTION The area in which the PHA has authority under state and local law to administer the program.

KINGAP Kingship Guardianship Assistance Program, or KinGap, is a payment program that provides relative caregivers who are unable or unwilling to adopt a child in foster care with another option for exiting the child welfare system, provided that permanent placement in the relative's home is in the best interest of the child.

LANDLORD This term means either the owner of the property or their representative or the managing agent or their representative, as shall be designated by the owner.

LEASE A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing

assistance payments under a HAP contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LEASE ADDENDUM *(See Tenancy Addendum)*

LIMITED ENGLISH PROFICIENCY Complying with Fair Housing Executive Order 13166, the HC eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation and access to programs and activities.

LIVE-IN AIDE A person who resides with an elderly person or person with a disability and who:

Is determined to be essential to the care and well-being of the person.

Is not obligated for the support of the person.

Would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE A preference used by the PHA to select among applicant.

LOW-INCOME FAMILY A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

MANUFACTURED HOME A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.

MANUFACTURED HOME SPACE Is a space leased by an owner to a family in a manufactured home space rental. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

MARKET RENT The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Section 8 Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MINOR. A member of the family, other than the head of family or spouse, who is under 18 years of age.

MIXED FAMILY A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status as defined in 24 CFR 5.504(b)(3)

MONTHLY ADJUSTED INCOME One twelfth of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME One twelfth of the Annual Income.

MOVING TO WORK (MTW) A program for Public Housing Authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing.

MOVE TO WORK (MTW) PLAN Annual plan submitted to HUD describing MTW activities an agency is proposing for the next fiscal year. Also includes information on agency housing program subsidies and vouchers and public/affordable housing stock information.

NATIONAL CREDIT REPORTING A search of Criminal Convictions in any country across the nation, including all information available regarding convictions.

NET FAMILY ASSETS Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NET FAMILY CONTRIBUTION Tenant Rent.

NON-CITIZEN A person who is neither a citizen nor a national of the United States.

NON ELDERLY DISABLED A family (non-elderly, disabled) household is one in which the head, spouse, or sole member is not an elderly person or a person with disabilities. Rental assistance is awarded under various special purpose HCV programs, specifically for non-elderly disabled (NED) families.

OCCUPANCY STANDARDS Standards established by a PHA to determine the maximum number of individuals that can reside in an assisted unit. SDHC's occupancy standards allows for two persons per bedroom and/or sleeping room.

OWNER Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT A family that has been admitted to the PHA's voucher program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (First day of initial lease term).

PATH TO SUCCESS A MTW rent reform initiative that changed the traditional rent calculation methodology for Housing Choice Voucher and Public Housing programs.

PAYMENT STANDARD The maximum subsidy payment for a family (before deducting the family contribution).

PERMANENT SUPPORTIVE HOUSING A best-practice intervention for addressing homelessness that combines permanent, subsidized housing with voluntary, wraparound supportive services, including case management for people experiencing homelessness with the most significant need.

PERSONS WITH DISABILITIES Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.2. A person who is any of the following:

A person who has a disability as defined in section 223 of the Social Security Act. (42 U.S.C.423).

A person who has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that ability to live independently could be improved by more suitable housing conditions.

A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

PORTABILITY Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA

PREMISES The building or complex in which the dwelling unit is located, including common areas and grounds.

PREPONDERANCE OF EVIDENCE 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.

PRIVATE SPACE In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PROGRAM The Section 8 tenant-based assistance program under this part.

PROGRAM RECEIPTS HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

PUBLIC ASSISTANCE Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA) PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

- A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):
- Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or
- For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA In portability: An PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a certificate or voucher and provides program assistance to the family.

RENT BURDEN (MTW SDHC) Rent burden is the share of a family's adjusted gross income that they pay towards rent and utilities.

RENT TO OWNER The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

RESIDENCY PREFERENCE A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area *("residency preference area")*.

RESIDENCY PREFERENCE AREA The specified area where families must reside to qualify for a residency preference.

RESIDENT ASSISTANT A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Section 8 assistance nor contribute to a portion of their income or resources towards the expenses of these individuals.

RESPONSIBLE ENTITY For the public housing and Section 8 tenant-based assistance and project-based voucher assistance, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SEASONAL WORKER An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

SECRETARY The Secretary of Housing and Urban Development.

SECURITY DEPOSIT A dollar amount that can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON A person in the active military of the United States.

SHORT TERM TRANSITIONAL PROGRAM Project Based Subsidies for the Homeless. It is a short-term, transitional housing program using flat-subsidy, project-based subsidy paired with supportive services, offered by a selected provider agency.

SINGLE PERSON A person living alone or intending to live alone who is not elderly or displaced or a person with a disability, or the remaining member of a tenant family.

SPECIAL ADMISSION Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives *(including mutual housing)*, and manufactured homes *(including manufactured home space rental)*.

SPONSOR BASED VOUCHERS Rental Assistance Program(s) where the voucher is assigned to a service-providing Sponsor Agency. Housing Assistance Payments (HAP) are made directly to the Sponsor Agency and the Sponsor Agency provides payments to owners. Most program administration is performed by the Sponsor Agency with oversight by SDHC. These programs combine housing assistance with supportive services and are generally for homeless or other families requiring supportive services.

SPOUSE The husband or wife of the head of the household.

SUB-REGIONAL AREAS Homogeneous geographic areas created by combining census tracts.

SUBSIDIZED PROJECT A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

SUBSIDY STANDARDS Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUSPENSION Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

TENANCY ADDENDUM The lease language required by HUD contained In the lease between the tenant and the owner.

TENANT The person or a person (other than a live-in-aide) who executes the lease as lessee of the dwelling unit.

TENANT RENT The amount payable monthly by the family as rent to the unit owner.

TOTAL TENANT PAYMENT (TTP) The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

TRANSITIONAL BED ASSISTANCE Housing subsidy paid for transitional or shelter beds.

UNEARNED INCOME means any annual income, as calculated under CFR§ 5.609, that is not earned income.

UNIT Residential space for the private use of a family.

UTILITIES Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthy living environment.

VACANCY LOSS PAYMENTS (For contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

VERY LOW INCOME FAMILY A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Voucher Program.

VETERAN (Section 8) A person who has served in the active military service of the United States at least four (4) months or longer and who shall have been released under conditions other than dishonorable, bad conduct or court martial.

VETERAN (Permanent Supporting Housing) A person who has served in the active military service of the United States and who shall have been released under conditions other than dishonorable.

VIOLENCE AGAINST WOMEN ACT (VAWA) A federal law that provides certain rights and protections to program applicants or Section 8 program participants, who are victims of domestic violence, dating violence sexual assault and/or stalking, and who are otherwise compliant with all program obligations. The law protects against denial of assistance or denial of admission by a PHA or

evictions by an owner or manager for an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault and/or stalking.

VIOLENT CRIMINAL ACTIVITY Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

VOUCHER HOLDER A family holding a voucher with an unexpired term *(search time)*.

VOUCHER PROGRAM The Housing Choice Voucher program.

WAITING LIST ADMISSION An admission from the PHA waiting list.

WAITING LIST A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

WELFARE ASSISTANCE Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely for meeting housing expenses, nor programs that provide health care, childcare or other services for working families.

WORK-ABLE FAMILY Family in which at least one adult member is less than 62 years old, not disabled and not a full-time student ages 18 to 23 (excluding Head, Spouse or Co-head).

C. GLOSSARY OF TERMS USED IN THE NON-CITIZEN RULE

CHILD - A member of the family other than the family head, spouse, or co-head who is under 18 years of age.

CITIZEN - A citizen or national of the United States.

EVIDENCE - Evidence of citizenship or eligible immigration status means the documents, which must be submitted to evidence citizenship or eligible immigration status.

HEAD OF HOUSEHOLD - The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD - Department of Housing and Urban Development.

MIXED FAMILY - A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL - A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN - A person who is neither a citizen nor nation of the United States.

PHA - A housing authority that operates Rental Assistance or Public Housing.

RESPONSIBLE ENTITY - The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214 - Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214.

SPOUSE - Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by HUD.

USCIS - The U.S. Citizen & Immigration Services, formerly known as U.S. Immigration & Naturalization Services (INS).

FY26 Section 8 Administrative Plan Policy – Revision (Matrix)

Ch./Section	Current Language	Proposed Language	Explanation	Change Type Reason (new policy, clarification, or HUD requirement)
CHAPTER 2 I. RANKING LOCAL PREFERENCES	Within each of the following numbered categories, applicants will be served by date and time of application. 1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 2. Other applicants who live and/or work in the City of San Diego. 3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 4. Other applicants who do not live and/or work in the City San Diego.	Currently assisted SDHC Emergency Housing Voucher (EHV) families whose assistance is at risk of termination due to lack of program funding will receive priority on all Housing Choice Voucher waiting list selections, including project-based wait list. This priority will be available for up to 12 months past the conclusion of the EHV household's EHV subsidy. This preference is only available to SDHC's existing assisted EHV participants and will not be available to new port-in EHV families or currently administered EHV participants from other jurisdictions. EHV applicants will be served by date and time of application for tenant based vouchers and a lottery for project based vouchers. 1. EHV families who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 2. Other currently assisted EHV applicants who live and/or work in the City of San Diego. 3. Currently assisted EHV families who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 4. Other currently assisted EHV families who do not live and/or work in the City San Diego. Then, within each of the following numbered categories, applicants will be served by date and time of application. 1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.	Under permissible HUD regulations, SDHC will provide a waiting list preference to existing EHV families whose rental assistance is at risk of HUD termination due to lack of program funding.	New policy

FY26 Section 8 Administrative Plan Policy – Revision (Matrix)

		2. Other applicants who live and/or work in the City of San Diego. 3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 4. Other applicants who do not live and/or work in the City San Diego.		

SAN DIEGO HOUSING COMMISSION

San Diego Housing Commission Admissions and Continued Occupancy Policy for Housing

San Diego Housing Commission
Rental Assistance Division
1122 Broadway, Suite 300
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Chapter 1
OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The PHA receives its operating subsidy for the public housing program from the Department of Housing and Urban Development. The PHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters into an Annual Contributions Contract with HUD to administer the public housing program. The PHA must ensure compliance with federal laws, regulations and notices and must establish policies and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the PHA and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.

Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE PHA

1-I.A. OVERVIEW

The U.S. Housing Act of 1937 created the Low Rent Public Housing Program.

Administration of the Public Housing Program and the functions and responsibilities of the San Diego Housing Commission (SDHC) staff shall be in compliance with the SDHC's Personnel Policy, SDHC's Equal Opportunity Plan, and this Admissions and Continued Occupancy Plan.

The SDHC owns and manages Conventional Public Housing units. The administration of this Public Housing Agency's housing program will also meet the requirements of the Department of Housing and Urban Development. Such requirements include any Public Housing Regulations, Handbooks, and applicable Notices. All applicable Federal, State and local laws, including Fair Housing Laws and regulations also apply. Changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy. Federal regulations shall include those found in Volume 24 CFR, Parts V, VII and IX. (Code of Federal Regulations).

1-I.B. MOVING FORWARD

On January 14, 2009, The Department of Housing and Urban Development (HUD) approved the San Diego Housing Commission as a Moving to Work agency. The Moving to Work designation allows public housing authorities (PHA's) to design and test various approaches for providing and administering housing assistance. HUD's three main objectives of the program are to:

- ✓Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- ✓Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- ✓Increase housing choices for low-income families.

Locally, the Moving to Work program is known as "Moving Forward". Throughout this document there are policy references to Moving Forward. These policies only apply to Conventional Public Housing units that qualify to be administered under the Moving to Work program.

SDHC's innovative initiative related to income and rent, termed "Path to Success" (PTS), is explained in 1-I.G. in this chapter and is referenced in Chapter 6.

1-I.C. LOCAL OBJECTIVES

This Admissions and Continued Occupancy Plan for the Public Housing Program is designed to demonstrate that the SDHC is managing its program in a manner that reflects its commitment to improving the quality of housing available to the 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 Plan is designed to achieve the following objectives:

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

2. To operate a socially and financially sound public housing agency that provides housing that is safe, habitable, functionally adequate, operable, and free of health and safety hazards—in compliance with the National Standards for the Physical Inspection of Real Estate: Inspection Standards (NSPIRE) – within a drug free, suitable living environment for residents and their families

3. To avoid concentrations of economically and socially deprived families in any one of or throughout the entire SDHC's public housing developments

4. 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 SDHC employees

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

6. To facilitate the judicious management of the SDHC inventory and the efficient management of the SDHC staff

7. To ensure compliance with Title VI of the Civil Rights Act of 1964 and all other applicable Federal laws and regulations

1-I.D. ORGANIZATION AND STRUCTURE OF THE PHA

Public housing is funded by the federal government and administered by the **San Diego Housing Commission** for the jurisdiction of **the city of San Diego in California.**

PHAs are governed by a board of officials that are generally called "commissioners." Although some PHAs may use a different title for their officials, this document will hitherto refer to the "board of commissioners" or the "board" when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the PHA conducts business and ensures that those policies are followed by PHA staff. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability and success.

Formal actions of the PHA are taken through written resolutions that are adopted by the board and entered into the official records of the PHA.

The principal staff member of the SDHC is the President & Chief Executive Officer (CEO), who is selected and hired by the board. The President/CEO oversees the day-to-day operations of the SDHC and is directly responsible for carrying out the policies established by the commissioners. The President/CEO's duties include hiring, training, and supervising the PHA's staff, as well as budgeting and financial planning for the agency. Additionally, the President/CEO is charged with ensuring compliance with federal and state laws, and program mandates. In some PHAs, the CEO is known by another title, such as executive director.

1-I.E. PHA MISSION

The purpose of a mission statement is to communicate an agency's fundamental purpose to people inside and outside of the agency. It provides a basis for strategy development, it identifies critical success factors, informs resource allocation decisions, and helps to ensure client and stakeholder satisfaction.

SDHC Policy

To provide affordable, safe, and quality homes for low and moderate-income families and individuals in the City of San Diego, and to provide opportunities to improve the quality of life for the families that SDHC serves.

1-I.F. THE PHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the SDHC is committed to providing excellent service to all public housing applicants, residents, and the public. In order to provide superior service, the SDHC resolves to:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of the clients served.
- Provide housing that is safe, habitable, functionally adequate, operable, and free of health and safety hazards—in compliance with the National Standards for the Physical Inspection of Real Estate: Inspection Standards (NSPIRE) – for very low and low-income families.
- Achieve a healthy mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational, and other human service's needs.
- Promote fair housing and the opportunity for very low and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the public housing program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the SDHC's mission.
- Attain and maintain a high level of standards and professionalism in the day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the SDHC's support systems and commitment to our employees and their development.

The SDHC will make every effort to keep residents informed of program rules and regulations and to advise participants of how the program rules affect them.

1-I.G. PATH TO SUCCESS

Path to Success, a major rent reform initiative replacing the standard Housing Choice Voucher (HCV) and Public Housing program rent calculation, was implemented July 1, 2015. The initiative was originally proposed in the Fiscal Year 2012 MTW Annual Plan Amendment and was approved by HUD shortly thereafter. The Tiered Rent Table component of the activity both incentivizes and rewards Work-Able households for increasing income by using the lower edge of an annual income range when calculating the rent portion instead of the actual income. The activity also institutes progressive minimum rents, based on the number of work-able adults in the family thus requiring certain households to increase annual income amounts to meet the applicable minimum rent threshold.

The rent reform model utilizes two components working in tandem as one dynamic system: tiered rents and progressive minimum rents. For the tiered rent table, adjusted annual income is separated into bands of income. If a family's adjusted income falls in between income bands, the lower edge of the band is used to calculate the rent portion. The income amount at the lower edge of the band is multiplied by 30% and the result is the family's rent portion. An example of the tiered rent table is included in a subsequent section of the activity description. This table shows the rent portions for one work-able member families who receive the sewer/water utility allowance.

Minimum rents are based on the number of Work-Able adults residing in the household. An additional feature of Path to Success is the elimination of the utility reimbursement. All other deductions and allowances were eliminated with the exception of the child care and medical expense deductions. The child care deduction continues to be administered under current regulations while the medical expense deduction has been streamlined into standard bands. Disability assistance expenses were folded into the standardized medical expense bands as a further streamlining measure. Minimum rents were set using various factors, including the current California minimum wage rate, a minimum number of weekly work hours a household could reasonably expect to work, as well as the rates of other benefits most often received by program participants. The increase in minimum rent over time coincided with the expectation that households would begin to work and/or increase work hours or income as a result of utilizing the features of the Achievement Academy. Most aspects of the model motivate self-sufficiency given that participants determined to be "Work-Able" are expected to pay an increasing portion of rent over time while receiving the necessary supportive services to expand household income.

As part of Path to Success, the current Elderly/Disabled population will be revised to dictate the characteristics of the Work-Able populations. The Elderly/Disabled population will include families where 100 percent of adults are elderly and/or disabled, with elderly being defined as 62 or older for this purpose only. In short, the Work-Able population is comprised of all households not meeting the Elderly/Disabled population criteria. SDHC recognizes there may be subpopulations within the Work-Able population who may have difficulty adhering to the requirements of Path to Success and has made provisions for these households in the form of hardship policies.

The elimination of allowances and deductions applies to Elderly/Disabled households in the same manner the changes are applied to Work-Able households. The Total Tenant Payment (TTP) was dropped to 28.5 percent with a minimum rent of $0 for Elderly/Disabled households to ensure those families are minimally impacted by Path to Success requirements at implementation and going forward.

All households are on a two-year biennial reexamination schedule.

PART II: THE PUBLIC HOUSING PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff an overview of the history and operation of public housing.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives, known as public housing. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the public housing program for the first time. Until that time, public housing was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the public housing program and provide residents with greater choices. It also allowed PHAs more remedies to replace or revitalize severely distressed public housing developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for PHAs to develop five-year and annual plans; income targeting (a requirement that 40% of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families); and resident self-sufficiency incentives.

On July 29, 2016, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA made numerous changes to statutes governing HUD programs, including sections of the United States Housing Act of 1937. Title I of HOTMA contains 14 different sections that impact the public housing and Section 8 programs. The Final Rule implementing broad changes to income and asset in Sections 102 and 104 of HOTMA, and for PHAs that administer the public housing program over-income provisions in Section 103, was officially published in the *Federal Register* on February 14, 2023. On September 29, 2023, HUD issued notice PIH 2023-27 which provided guidance to PHAs on the implementation of the program changes described in the Final Rule.

1-II.B. PUBLIC HOUSIN G PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the PHA to administer programs in accordance with HUD regulations and provides an operating subsidy to the PHA. The PHA must create written policies that are consistent with HUD regulations. Among these policies is the PHA's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the board of commissioners of the PHA.

The job of the PHA pursuant to HUD regulations is to provide safe, habitable units to low-income families at an affordable rent. The PHA screens applicants for public housing and, if they are determined to be eligible for the program, the PHA makes an offer of a housing unit. If the applicant accepts the offer, the PHA and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as "residents." The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context.

Since the PHA owns the public housing development, the PHA is the landlord. The PHA must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with HUD regulations and SDHC Policy.

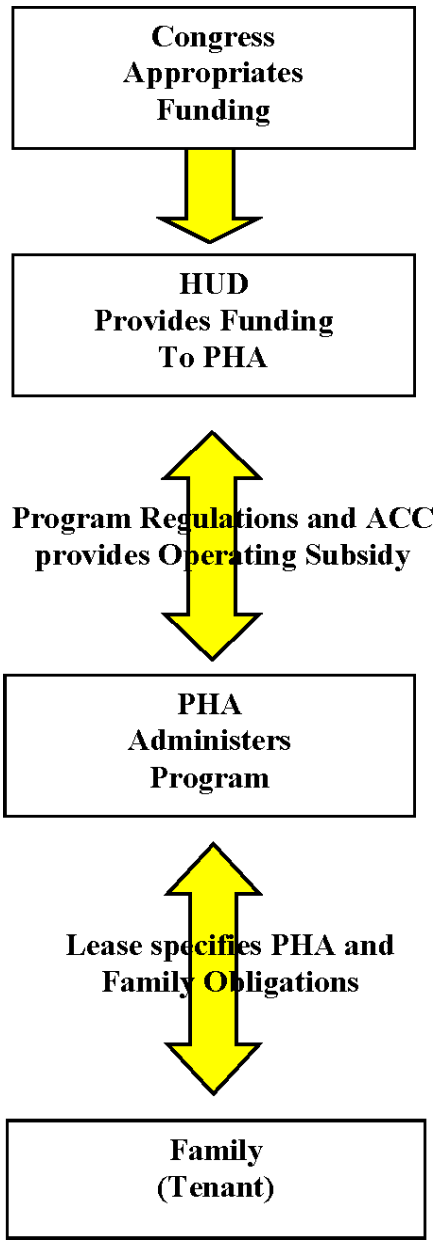
1-II.C. PUBLIC HOUSING PARTNERSHIPS

To administer the public housing program, the PHA must enter into an Annual Contributions Contract (ACC) with HUD. The PHA also enters into a contractual relationship with the tenant through the public housing lease. These contracts define and describe the roles and responsibilities of each party.

In addition to the ACC, the PHA and family must also comply with federal regulations and other HUD publications and directives. For the program to work and be successful, all parties involved – HUD, the PHA, and the tenant – play an important role.

The chart on the following page illustrates key aspects of these relationships.

The Public Housing Relationships



What does HUD do?

Federal law is the source of HUD responsibilities. HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement housing legislation passed by Congress
- Allocate operating subsidies to PHAs
- Allocate capital funding to PHAs
- Provide technical assistance to PHAs on interpreting and applying program requirements
- Monitor PHA compliance with program requirements and PHA performance in program administration.

What does the PHA do?

The PHA's responsibilities originate in federal regulations and the ACC. The PHA owns and manages public housing developments, administers the program under contract with HUD and has the following major responsibilities:

- Ensure compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensure that the program is accessible to persons with disabilities
- Establish local policies and procedures for operating the program
- Accept applications from interested applicant families and determine whether they are income eligible for the program
- Maintain waiting list and select families for admission
- Screen applicant families for suitability as renters
- Maintain housing units by making any necessary repairs in a timely manner
- Make unit offers to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of safe, habitable dwelling units (including assuring compliance with National Standards for the Physical Inspection of Real Estate (NSPIRE)
- Make sure the PHA has adequate financial resources to maintain its housing stock
- Perform regular reexaminations of family income and composition in accordance with HUD requirements
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the ACC, HUD- approved applications for funding, the PHA's ACOP, and other applicable federal, state and local laws.

What does the tenant do?

The tenant's responsibilities are articulated in the public housing lease. The tenant has the following broad responsibilities:

- Comply with the terms of the lease and PHA house rules, as applicable
- Provide the PHA with complete and accurate information, determined by the PHA to be necessary for administration of the program
- Cooperate in attending all appointments scheduled by the PHA
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice
- Take responsibility for care of the housing unit, including any violations of NSPIRE caused by the family
- Not engage in drug-related or violent criminal activity
- Notify the PHA before moving or termination of the lease
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit or assign the lease
- Promptly notify the PHA of any changes in family composition
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs
- Take care of the housing unit and report maintenance problems to the PHA promptly

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled in an effective manner.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

1-III.A. OVERVIEW AND PURPOSE OF THE POLICY

The ACOP is the PHA's written statement of policies used to carry out the housing program in accordance with federal law and regulations, and HUD requirements. The ACOP is required by HUD and it must be available for public review [CFR 24 Part 903]. The ACOP also contains policies that support the objectives contained in the PHA's Agency Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding, and the SDHC's HUD-approved Moving to Work Plan. The SDHC is responsible for complying with all changes in HUD regulations pertaining to public housing unless the SDHC has received approval for waiving such regulations in its Moving to Work Plan.

1-III.B. CONTENTS OF THE POLICY

Unlike the housing choice voucher program, HUD regulations for public housing do not contain a list of what must be included in the ACOP. However, individual regulations contain requirements of inclusion in the PHA's written policy. At a minimum, the ACOP plan should cover PHA policies on these subjects:

- The organization of the waiting list and how families are selected and offered available units, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapters 4 and 5)
- Transfer policies and the circumstances under which a transfer would take precedence over an admission (Chapter 12)
- Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed (Chapters 3 and 5)
- Procedures for verifying the information the family has provided (Chapter 7)
- The method for achieving deconcentration of poverty and income-mixing of public housing developments (Chapter 4)
- Grievance procedures (Chapter 14)
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 15 and 16)
- Interim redeterminations of family income and composition (Chapter 9)
- Policies regarding community service requirements; (Chapter 11)
- Polices and rules about safety and ownership of pets in public housing (Chapter 10).

Mandatory vs. Discretionary Policy

HUD makes a distinction between mandatory policies and non-mandatory policies:

- Mandatory policies: those driven by legislation, regulations, current handbooks, current PIH notices, and legal opinions from the Office of General Counsel
- Optional, non-binding guidance: includes guidebooks, FAQs, PIH notices that have expired, and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the PHA has adopted. The ACOP is comprised of mandatory policies and optional SDHC Policy. HUD emphasizes the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

HUD suggestions, recommendations, written issuances, and guidance are consistent with mandatory federal policy. Therefore, using HUD guidance in the preparation of SDHC Policy, even though it is not mandatory, provides a PHA with a "safe harbor." If a PHA adopts its own optional policy, it must make its own determination that such policy is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than that suggested by HUD, but PHAs should carefully think through those decisions and be able to articulate how their policy is consistent with federal laws, regulations and mandatory policy.

1-III.C. UPDATING AND REVISING THE POLICY

The PHA will revise this ACOP as needed to comply with changes in HUD regulations. The original policy and any changes must be approved by the board of commissioners of the PHA, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

SDHC Policy

The SDHC will review and update the ACOP as needed to reflect changes in regulations, PHA operations, the SDHC's HUD-approved Moving to Work Plan, or when needed to ensure staff consistency in operation.

Chapter 2
FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and procedures. The responsibility to further nondiscrimination be carried through all areas of the PHA's public housing operations.

This chapter describes HUD regulations and PHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the PHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the public housing program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973 and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register.*

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and tenant families equally, providing the same quality of service regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- The Violence against Women Act (VAWA)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

SDHC Policy

The California Fair Employment and Housing Act and the California Unruh Civil Rights Act apply in defining additional protected classes of groups and individuals protected from illegal housing discrimination, and more stringent protections for federally-protected groups and individuals, and will be applied in program nondiscrimination practices. Under the above laws, additional protected classes and individuals in California include gender expression, genetic information, and source of income.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination against additional classes of people.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes").

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

SDHC Policy

Protected classes in California include, as well as federally-protected classes, gender expression, genetic information and source of income.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families

The PHA must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the PHA will provide information to public housing applicant families about their fair housing rights.

2-I.C. DISCRIMINATION COMPLAINTS

General Housing Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the PHA, the family should advise the PHA. The PHA should make every reasonable attempt to determine whether the applicant or tenant family's assertions have merit and take any warranted corrective action.

In all cases, the PHA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

SDHC Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will investigate and attempt to remedy discrimination complaints made against the PHA. The PHA will also advise the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations in PHA lobbies, will reference how to file a complaint with FHEO.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

Complaints under the Equal Access Final Rule [Notice PIH 2014-20]

Notice PIH 2014-20 requires an articulated complaint process for allegations of discrimination under the Equal Access Final rule. The Equal Access Final Rule requires that PHAs provide equal access regardless of marital status, gender identity, or sexual orientation. The PHA will be informed on these obligations by the HUD Field Office or FHEO when an Equal Access complaint investigation begins.

SDHC Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

VAWA Complaint Processing [Notice FHEO 2023-01]

A complainant may, not later than one year after an alleged VAWA violation has occurred or terminated, file a complaint with FHEO alleging such violation. If there is a violation that began prior to a year before the complaint is filed, but it continues into the one-year time period, HUD will accept the complaint. FHEO will investigate the complaint if it is timely and FHEO otherwise has jurisdiction. If a complaint is filed more than one year after the alleged violation occurred or terminated, FHEO may, but is not required to, investigate the allegations under the additional authority and procedures described in FHEO 2023-01.

Complaints do not need to allege a violation of the Fair Housing Act for FHEO to accept and investigate the complaint.

SDHC Policy

Applicants or tenant families who wish to file a VAWA complaint against the PHA may notify the PHA either orally or in writing.

The PHA will advise the family of their right to file a VAWA complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The PHA will inform the family that not later than one year after an alleged VAWA violation has occurred or terminated, applicants and tenants who believe they have been injured by a VAWA violation or will be injured by such a violation that is about to occur may file a VAWA complaint using FHEO's online complaint form via mail, email, or telephone.

The PHA will attempt to remedy complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the public housing program [24 CFR 8].

The PHA must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy [24 CFR 966.7(b)].

SDHC Policy

The PHA will ask all applicants and resident families, on the intake application, reexamination documents, and notices of adverse action by the SDHC, of their right to request a reasonable accommodation by providing "Reasonable Accommodation Notice".

The "Reasonable Accommodation Notice" provides the contact person for requests for accommodation.

The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A “reasonable accommodation” is a change, exception, or adjustment to a policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since policies and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the PHA or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

Types of Reasonable Accommodations

When it is reasonable (see definition above and Section 2-II.E), the PHA shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- Permitting applications and reexaminations to be completed by mail
- Providing “large-print” forms
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- Installing a ramp into a dwelling or building
- Installing grab bars in a bathroom
- Installing visual fire alarms for hearing impaired persons
- Allowing a PHA-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space
- Allowing an assistance animal
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff
- Displaying posters and other housing information in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability.

SDHC Policy

The SDHC will encourage the family to make its request in writing using a reasonable accommodation request form. However, the SDHC will consider the accommodation any time the family indicates that an accommodation is needed, whether or not a formal written request is submitted.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

The Fair Housing Act defines disability, for purposes of reasonable accommodation, defines "disability" as a physical, mental or emotional impairment that substantially limits one or more major life activities.

SDHC Policy

Under the California Department of Fair Employment & Housing, disability is defined as an impairment that makes performance of a major life activity "difficult."

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. 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 provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA may not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the

disability, the PHA will dispose of it. In

place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26]

The PHA must approve a request for an accommodation if the following three conditions are met.

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

SDHC Policy

After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days.

The SDHC response may state that further information or discussion is needed before an approval or denial decision can be made.

If the SDHC denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the PHA's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the SDHC denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), the SDHC will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

If the SDHC believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the SDHC will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family. The notice will inform the family of

the right to appeal the SDHC's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

Medical Marijuana

The use of medical marijuana is strictly prohibited at all public housing properties owned by the San Diego Housing Commission. The use of medical marijuana by public housing residents and/or their guests will result in the termination of the participant from the public housing program regardless of the date of entry into the program.

Reasonable Accommodation (§5.403) (HUD General Counsel Opinion on Medical Marijuana, 1/20/2011)

Federal and state nondiscrimination laws do not require housing authorities to accommodate requests by current or prospective residents with disabilities to use medical marijuana. The PHA may not permit the use of medical marijuana as a reasonable accommodation because such accommodations are not reasonable under the Fair Housing Act and would constitute a fundamental alteration in the nature of the operations of the program (*HUD General Counsel Opinion on Medical Marijuana, 1/20/2011, pgs1-2)*.

Medical Marijuana Use as a Reasonable Accommodation

People seeking a reasonable accommodation to allow the use of medical marijuana are not "individuals with a disability" under Section 504 or the ADA and therefore do not qualify for a reasonable accommodation to allow the use of medical marijuana. Furthermore, because such requests are tantamount to requests to become an illegal drug user, SDHC is prohibited from granting such a request *(HUD General Counsel Opinion on Medical Marijuana, 1/20/2011, pg 6).*

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the PHA to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

SDHC Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following.

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and resident families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Notice PIH 2010-26 contains specific information on calculating the percentages of units for meeting UFAS requirements.

Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the PHA's grievance process [24 CFR 966.4(l)(3)(ii)].

When reviewing reasonable accommodation requests, the PHA must consider whether the reasonable accommodation will allow the family to overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation [24 CFR 966.7].

In addition, the PHA must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. 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 Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register.*

The PHA 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.

2-III.B. ORAL INTERPRETATION

The PHA will offer competent interpretation services free of charge and upon request to the LEP person.

SDHC Policy

The SDHC will utilize a language line for telephone interpreter services.

When exercising the option to conduct remote hearings, however, the PHA will coordinate with a remote interpretation service which, when available, uses video conferencing technology rather than voice-only interpretation.

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 SDHC. The interpreter may be a family member or friend.

The SDHC 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 and possible, according to its language assistance plan (LAP), the SDHC will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

2-III.C. WRITTEN TRANSLATION

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

SDHC Policy

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

The SDHC 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 SDHC 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.

2-III.D. IMPLEMENTATION PLAN

The SDHC has adopted a "Language Access Plan" (LAP) that applies to all programs, services, activities and facilities of the SDHC, regardless of receipt of Federal financial support. The LAP concentrates on improving access to SDHC resources, with a focus on those areas with regular and frequent contact with LEP persons.

The entire Language Access Plan is available on SDHC's website at http://www.sdhc.org under the Fair Housing section.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or 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
- 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.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or 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 that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the public housing program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who

does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the public housing program, yet an accommodation is needed to provide equal opportunity.

Chapter 3
ELIGIBILITY

INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the public housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the public housing program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
  - Not currently be receiving a duplicative subsidy.
  - Meet net asset and property ownership restriction requirements.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny admission as well as the asset limitation for public housing.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members, and explains HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/03/12, Notice PIH 2014-20, Notice PIH 2023-17, and FR Notice 2/14/23]

The terms *family* and *household* have different meanings in the public housing program.

Family

To be eligible for admission, an applicant must qualify as a family. *Family* as defined by HUD

A Family may be a single person or a group of persons.

A Family includes but is not limited to:

- regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.
- *Gender Identity* means actual or perceived gender characteristics.
- *Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

SDHC Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the PHA's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-VII.D of this plan.)
- If a court determines the disposition of property between members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance.

SDHC Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may submit a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an applicant or resident family, the SDHC will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the SDHC will determine which family will retain their placement on the waiting list or continue in occupancy. In making its determination, the SDHC will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, stalking or human trafficking, including a family member who was forced to leave a public housing unit as a result of such actual or threatened abuse, and provides documentation in accordance with section 16-VII.D of this ACOP; (4) any possible risks to family members as a result of criminal activity, and (5) the recommendations of social service professionals.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

SDHC Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

SDHC Policy

The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

SDHC Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

3-I.F. DEPENDENTS AND MINORS [24 CFR 5.603]

A *minor* is a member of the family, other than the head of family or spouse, who is under 18 years of age.

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

SDHC Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the SDHC will make the determination based on available documents such as court orders, an IRS income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to determine if attendance is full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

SDHC Policy

Per SDHC's MTW Plan, the full-time student (FTS) definition includes only students aged 18 to 23 who are enrolled in school full time, and who are not the head of household, spouse, cohead, live-in aide, or a foster adult. Household members meeting the revised full-time student definition will have 100 percent of their employment income excluded.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100, 5.403, 945.105, and FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for the elderly family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the PHA's services.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying admission or taking action under the lease for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter and in Chapter 13.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [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 PHA premises [24 CFR 966.4(f)].

SDHC Policy

A resident family must notify the SDHC when overnight guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 14 consecutive days. A resident family may have a total of 14 cumulative calendar days during any 12-month period for any guests.

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 public housing unit address as their residence address or address of record for receipt of benefits or any other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered to be unauthorized occupants, and their presence constitutes violation of the lease.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a foster adult under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A *foster child* is a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

SDHC Policy

A foster child or foster adult may be allowed to reside in the unit if their presence would not overcrowd the unit.

SDHC will not consider short-term placement of foster children for purposes of occupancy standards.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be temporarily or permanently absent from the unit for a variety of reasons including educational activities, placement in foster care, employment, and illness.

Definitions of Temporarily and Permanently Absent

SDHC Policy

Generally, an individual who is or is expected to be absent from the public housing unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the public housing unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

SDHC Policy

Full-time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse/cohead) 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, the income of that member will not be included in total household income, the member will not be included in the lease, and the member will not be included for purposes of occupancy standards.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

SDHC Policy

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

Absent Head, Spouse, or Cohead

SDHC Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

SDHC Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

If a family member is confined to a nursing home or a hospital for 180 days and a medical professional has not or cannot provide a determination on the continued length of stay for that individual, where the individual is unable to participate in or provide signatures for a reexamination of any type, and where no Power of Attorney exists on behalf of said individual, then that individual can be removed from the household at the SDHC's discretion. However, the PHA must consider whether the removal of that family member will adversely affect the household's eligibility, household type, and income calculation when making such a determination.

Return of Permanently Absent Family Members

SDHC Policy

The family must request PHA approval for the return of any adult family members that the PHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the person(s), (2) is not obligated for the support of the person(s), and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 8.

A live-in aide is considered a household member but not a family member. The income of the live-in aide is not counted in determining the annual income of the family [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

SDHC Policy

A family's request for a live-in aide may be made either orally or in writing. The SDHC will verify the need for a live-in aide with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker, unless the disability is obvious or otherwise known to the SDHC and the need for the live-in aide is readily apparent or known. For continued approval, the family must submit a new, written request, either orally or in writing —subject to SDHC verification— at each biennial reexamination.

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

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

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

The person has a history of drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the SDHC or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the SDHC will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to establish income limits that determine the income eligibility of applicants for HUD's assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of the median incomes for families of different sizes in a particular area or county.

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

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

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

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

HUD also publishes over-income limits annually, but these are not used at admission. Over-income limits will be discussed in Chapter 13.

Using Income Limits for Eligibility [24 CFR 960.201 and Notice PIH 2023-17]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a *low-income* family. Income and net family assets of household members are excluded when determining income eligibility; however, household members are considered for purposes of unit size and occupancy standards.

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

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

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

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

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

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

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

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

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

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

SDHC Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the SDHC receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of grievance hearing procedures.

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

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

SDHC Policy

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

When a SDHC determines that an applicant family does not include any citizens, nationals, or eligible noncitizens following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request a grievance hearing with the SDHC. The grievance hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the grievance hearing process.

Grievance hearing procedures are contained in Chapter 14.

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

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

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

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

SDHC Policy

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

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within the 6 months prior to program admission, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of admission. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or biennial reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].

However, this does not apply if the applicant or tenant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c.)].

SDHC Policy

It is a family obligation to supply any information and sign consent forms requested by SDHC or HUD. Family refusal to cooperate may result in denial of admission or termination of assistance.

Effective 1/1/2025 or upon implementation of HOTMA, families have the right to revoke consent by notice to SDHC, however, revoking consent will result in termination or denial of assistance.

3-II.E. EIV SYSTEM SEARCHES [Notice PIH 2018-18; EIV FAQs; EIV System Training 9/30/20; and Notice PIH 2023-27]

Existing Tenant Search

Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module. The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified. The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.

If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

SDHA Policy

The SDHC will contact the other PHA or owner identified in the report to confirm that the family has moved out of the unit and obtain documentation of current tenancy status, including a form HUD-50058 or 50059, as applicable, showing an end of participation. The SDHC will only approve assistance contingent upon the move-out from the currently occupied assisted unit.

Debts Owed to PHAs and Terminations

All adult household members must sign the form HUD-52675, Debts Owed to Public Housing and Terminations. Prior to admission to the program, the PHA must search for each adult family member in the Debts Owed to PHAs and Terminations module.

If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update 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 program.

PHA Policy

The SDHC will require each adult household member to sign the form HUD-52675 once at the eligibility determination. Any new members added to the household after admission will be required to sign the form HUD-52675 prior to being added to the household.

The SDHC will search the Debts Owed to PHAs and Terminations module as part of the eligibility determination for new households and as part of the screening process for any household members added after the household is admitted to the program. If any information on debts or terminations is returned by the search, the SDHC will determine if this information warrants a denial in accordance with the policies in Part III of this chapter.

Income and Income Validation Tool (IVT) Reports

For each new admission, the PHA is required to review the EIV Income and IVT Reports to confirm and validate family reported income within 120 days of the IMS/PIC submission date of the new admission. The PHA must print and maintain copies of the EIV Income and IVT reports in the tenant file and resolve any discrepancies with the family within 60 days of the EIV Income or IVT report dates.

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II must be denied admission.

In addition, HUD requires or permits the PHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The PHA's authority in this area is limited by the Violence against Women Act of 2013 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005(b)].

While the regulations state that the PHA must prohibit admission for certain types of criminal activity and give the PHA the option to deny for other types of previous criminal history, more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual's criminal history merits denial of admission.

When considering any denial of admission, PHAs may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of "One Strike" policies and reminds PHAs of their obligation to safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a PHA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the PHA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the PHA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.

PHAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a PHA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the PHA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

This part covers the following topics:

- Required denial of admission
- The asset limitation in public housing
- Other permitted reasons for denial of admission
- Screening
- Criteria for deciding to deny admission
- Prohibition against denial of admission to victims of domestic violence, dating violence, sexual assault, or stalking
- Notice of eligibility or denial

3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

PHAs are required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the PHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the PHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, the PHA may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

  SDHC Policy

  The SDHC will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the PHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

  SDHC Policy

  Illegal use of a drug occurred recently enough to justify a reasonable believe that there is a continuing illegal drug use by a household member.

  The SDHC considers any drug-related convictions within 3 years of application to be

disqualifying.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

  SDHC Policy

  In determining reasonable cause, the SDHC will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. A record of arrest(s) will not be used as the basis for the denial or proof that the applicant engaged in disqualifying criminal activity. The SDHC will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS [24 CFR 5.618]

There are two circumstances under which a family is ineligible for the program based on asset ownership.

First, assistance may not be provided to any family if the family's net assets exceed $100,000 (adjusted annually by HUD).

Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:

- A present ownership interest in the real property;
- A legal right to reside in the real property; and
- The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.

However, the real property restriction does not apply in the following circumstances:

- Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;
- Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly-owned property;
- Any family that is offering the property for sale; or
- Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.
    - When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.

A property is considered *suitable for occupancy* unless the family demonstrates that it:

- Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);
- Is not sufficient for the size of the family;

  SDHC Policy

  The SDHC defines *not sufficient for the size of the family* as being overcrowded based on the SDHC's occupancy standards in Chapter 5.

- Is geographically located so as to be a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would be a hardship to the family, as determined by the PHA);

- Is not safe to reside in because of the physical condition of the property (e.g., property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied); or
- Is not a property that a family may reside in under the State or local laws of the jurisdiction where the property is located.

3-III-D. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits but does not require the PHA to deny admission for the reasons discussed in this section.

Criminal Activity [24 CFR 960.203(c)]

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

SDHC Policy

If any household member is currently engaged in, or has engaged in, any of the following criminal activities within the past five years (unless otherwise noted), the family will be denied admission.

Drug-related criminal activity within the past three (3) years, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].

Criminal activity that may threaten the health or safety of PHA staff, contractors, subcontractors, or agents.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Any felony conviction for violent crime within the preceding seven (7) years.

Evidence of such criminal activity includes, but is not limited to, any record of convictions or evictions for suspected drug-related or violent criminal activity of household members within the past 5 years. A conviction for such activity will be given more weight than an eviction. A record of arrest(s) will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

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

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

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

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

SDHC Policy

The SDHC will deny admission to an applicant family if the PHA determines that the family:

Has a pattern of unsuitable past performance in meeting financial obligations, including rent within the past five years

Has a pattern of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences within the past five years which may adversely affect the health, safety, or welfare of other tenants

Owes rent or other amounts to this or any other SDHC or owner in connection with any assisted housing program

Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

Owes rent or other amounts to any PHA in connection with Section 8, public housing, or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.

When denying admission due to family debts as shown in HUD's EIV system, the PHA will provide the family with a copy of the EIV Debt Owed to PHA and Termination report.

If the family wishes to dispute the information in the report, the family must contact the PHA that entered the information in EIV in writing, explaining why EIV information is disputed. The family must also provide a copy of the letter and all applicable verification to the PHA to support the family's claim. The PHA will consider the information provided by the family prior to issuing a notice of denial.

Has engaged in or threatened violent or abusive behavior toward SDHC personnel

Abusive or violent behavior towards SDHC personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

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

The SDHC will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

3-III.E. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

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

SDHC Policy

The SDHC will perform criminal background checks through a third-party vendor for all adult household members.

PHAs are 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)].

SDHC Policy

The SDHC will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the PHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the PHA 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)].

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the PHA may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the PHA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

Drug Abuse Treatment Facility means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.

Currently engaging in illegal use of a drug means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the PHA has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the PHA for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the PHA chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The PHA must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or cohead regardless of age.

Policy B: The PHA must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the PHA chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

SDHC Policy

The SDHC will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the SDHC has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

Screening for Suitability as a Tenant [24 CFR 960.203(c)]

The PHA is responsible for the screening and selection of families to occupy public housing units. The PHA may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

SDHC Policy

The SDHC will consider the family's history with respect to the following factors:

Payment of rent and utilities

Caring for a unit and premises

Respecting the rights of other residents to the peaceful enjoyment of their housing

Criminal activity that is a threat to the health, safety, or property of others

Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C

Compliance with any other essential conditions of tenancy

Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]

PHAs have a variety of resources available to them for determination of the suitability of applicants. Generally, PHAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

SDHC Policy

It is the policy of the SDHC to deny admission to applicants whose habits and practices may reasonably be expected to have a detrimental effect on the operations of the development or neighborhood or on the quality of life for its residents.

The SDHC will conduct a detailed interview of all applicants. The interview form will contain questions designed to evaluate the qualification of applicants to meet the essential requirements of tenancy. Answers will be subject to third-party verification. The SDHC will complete a credit check for all adult members of the household.

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, alone or with reasonable accommodation.

The SDHC's minimum age for admission as head of household is 18, or an emancipated minor, to avoid entering into leases that would not be valid or enforceable under applicable law.

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

1. The applicant's past performance in meeting financial obligations, especially rent.
2. 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.
3. Any history of criminal activity on the part of any applicant household member involving criminal acts that pose a risk or threat, including drug-related criminal activity.
4. 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.
5. Any history of initiating threats or behaving in a manner indicating intent to assault SDHC employees, contractors, or other tenants.
6. Any history of alcohol or substance abuse that would threaten the health, welfare or right to peaceful enjoyment of the premises by other residents.
7. The ability and willingness of an applicant to comply with the residential lease requirements will be verified and documented by the SDHC. The information to be considered in the screening process shall be reasonably related to assessing the conduct of the applicant and other household 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:

a. Interfere with other residents in such a manner as to diminish their peaceful enjoyment of the premises by adversely affecting health, safety or welfare [24 CFR 960.205(b)]

b. Adversely affect the physical environment or financial stability of the project [24 CFR 960.205(b)]

c. Violate the terms and conditions of the lease

d. Require services from SDHC staff that would alter the fundamental nature of the SDHC's program [24 CFR 8.3]

Rent Paying Habits

The SDHC will examine any records from a prior or current tenancy, and will request written references from the applicant's current and former landlords for up to the past 5 years.

If current or previous landlords do not respond to requests from the PHA, the applicant may be asked to provide other documentation that demonstrates their ability to meet financial obligations (e.g., rent receipts, cancelled checks, etc.)

Where possible and feasible, all Public Housing applicants will be required to undergo an in-home housekeeping inspection - conducted by a member of the SDHC Property Management team – prior to their acceptance into the program. Applicants who fail the inspection will receive a copy of the inspection report within 10 days of the failed inspection. Applicants will be allowed to request one (1) re-inspection. Failure of two housekeeping inspections will result in a determination of ineligibility for the applicant and they will be removed from the Waiting List.

3-III.F. CRITERIA FOR DECIDING TO DENY ADMISSION

Evidence

SDHC Policy

The SDHC will use the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 960.203(c)(3) and (d)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the PHA receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, PHAs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

SDHC Policy

The SDHC will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety and/or property

The effects that denial of admission may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or is (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, sexual assault, or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record of arrest(s) will not be used as the basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the PHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The PHA may also consider:

Any statements made by witnesses or the applicant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

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

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The SDHC will require the applicant to submit evidence of the household member's current participation in or successful completion of a superviseddrug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 960.203(c)(3)(i)].

SDHC Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the public housing unit.

After admission to the program, the family must present evidence of the former family member's current address upon SDHC request.

Reasonable Accommodation [PH Occ GB, pp. 58-60]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SDHC Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the SDHC will determine whether the behavior is related to the disability. If so, upon the family's request, the SDHC will determine whether alternative measures are appropriate as a reasonable accommodation. The SDHC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING OR HUMAN TRAFFICKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

- Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Definitions of key terms used in VAWA are provided in section 16-VII of this ACOP, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

SDHC Policy

The SDHC acknowledges that a victim of domestic violence, dating violence, sexual assault, stalking or human trafficking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the SDHC's policies.

Therefore, if the SDHC makes a determination to deny admission to the applicant family, the SDHC will include in its notice of denial information about the protections provided by VAWA in accordance with Section 16-VII.C. of this ACOP as well as including a copy of form HUD-5382. The PHA will request in writing that an applicant wishing to claim this protection notify the PHA within 14 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

SDHC Policy

If an applicant claims the protection against denial of admission that VAWA provides to victims of domestic violence, dating violence, sexual assault, stalking or human trafficking, the SDHC will request in writing that the applicant provide documentation (which could include certifying on form HUD-5382) supporting the claim in accordance with section 16-VII.D of this ACOP.

Perpetrator Documentation

SDHC Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the public housing unit.

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. 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.

3-III.H. NOTICE OF ELIGIBILITY OR DENIAL

The PHA will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

SDHC Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the SDHC will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the SDHC to dispute the information within that 10 day period, the SDHC will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking are contained in Section 3-III.F.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions.

Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

> Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months
>
> In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

> (A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that -
>
> (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
>
> (ii) is manifested before the individual attains age 22;
>
> (iii) is likely to continue indefinitely;
>
> (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and
>
> (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.
>
> (B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable

housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

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. 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:

(1) Physical or mental impairment includes:

(a) 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

(b) 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.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) 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.

(4) Is regarded as having an impairment means:

(a) 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

(b) 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

(c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

Chapter 4
APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment.

HUD regulations require that the PHA comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for accepting applications, managing the waiting list and selecting families from the waiting list. The PHA's policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the PHA's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the PHA will use to keep the waiting list current.

Part III: Tenant Selection. This part describes the policies that guide the PHA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

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

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well 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].

SDHC Policy

Because it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application, the SDHC will utilize a two-step process. Under the two-step application process, the SDHC 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.

Families who wish to apply must complete an online application at SDHC's website. The information is to be filled out by an applicant whenever possible. To provide a reasonable accommodation for a person with a disability, an SDHC staff person will assist, upon request, by completing the application, in person or over the telephone.

Applications must be filled out completely in order to be accepted by the PHA for processing.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

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

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

The PHA must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible or the PHA must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

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

4-I.D. PLACEMENT ON THE WAITING LIST

The PHA must review each completed application received and make a preliminary assessment of the family's eligibility. If the waiting list is open, applicants must be placed on it unless the PHA determines the family to be ineligible. If a family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

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

SDHC Policy

Any family asking to be placed on the waiting list for public housing will be given the opportunity to complete an application. Placement on the waiting list does not indicate that the family is, in fact, eligible for admission.

When a family is determined to be ineligible, the SDHC will send written notification of the ineligibility determination within 10 business days of receipt of the completed application. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

Eligible for Placement on the Waiting List

SDHC Policy

Applicants will be placed on the waiting list according to SDHC preference(s) and the date and time the completed application is received by the SDHC.

The SDHC will assign families on the waiting list according to the bedroom size for which a family qualifies, as established in its occupancy standards (see Chapter 5).

Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to SDHC standards and local codes). However, in these cases, the family must agree in writing not to request a transfer for three years after admission, unless they have a change in family size or composition.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the SDHC will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The PHA must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

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

4-II.B. ORGANIZATION OF THE WAITING LIST

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

SDHC Policy

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

Name and social security number of head of household

Unit size required (number of family members)

Amount and source of annual income

Accessibility requirement, if any

Date and time of application or application number

Household type (family, elderly, and disabled)

Admission preference, if any

Race and ethnicity of the head of household

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

SDHC Policy

The PHA will maintain one single community-wide waiting list for its developments. Within the list, the PHA will designate subparts to easily identify who should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

The PHA will not adopt site-based waiting lists.

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

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

SDHC Policy

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

Cooperative Waiting List

SDHC Policy

The SDHC, the Housing Authority of the County of San Diego, Community Development Commission of the City of National City, City of Carlsbad Housing Authority, City of Oceanside Housing Authority, and the Housing and Development of the City of Encinitas agree to maintain a cooperative waiting list for those applicants who live in the jurisdiction of the other housing agency. Any other Housing Agency within the region that requests to participate in the cooperative waiting list will be allowed to participate.

Each housing agency will exchange waiting list applications, preserving the original date and time of application (unless already pulled using original time and date), for applicants residing in the jurisdiction of the other agency.

Any of the above PHAs can contact the SDHC to allow an applicant to "transfer" to the SDHC's public housing waiting list. Likewise, SDHC can contact any of the above PHAs to allow a SDHC public housing applicant to be placed on the public housing waiting list of any of the above PHAs. An applicant may be "transferred" to the SDHC's waiting list even if the SDHC waiting list is closed. All SDHC waiting list preferences will be applied.

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

Closing the Waiting List

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

SDHC Policy

The SDHC may, at its discretion, restrict application intake, suspend application intake, and close waiting lists, in whole or in part, with the approval of the SDHC Board of Commissioners.

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

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

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

Reopening the Waiting List

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

SDHC Policy

When the SDHC opens the waiting list, the SDHC will advertise through public notice in local newspapers, minority publications, media entities, and community-based or social service organizations.

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

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

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

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

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

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

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

SDHC Policy

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

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

SDHC Policy

While the family is on the waiting list, the family must inform the PHA, within 10 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted using SDHC's online application.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

4-II.F. UPDATING THE WAITING LIST

HUD requires the PHA to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

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

SDHC Policy

The waiting list will be updated as needed to ensure that all applicant information is current and timely.

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

The family's response must completion of an online application or submitting in writing and may be delivered in person, by mail, by email, or by fax. Responses should be postmarked or received by the SDHC by the deadline specified by the SDHC.

If the family fails to respond within the deadline given, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The response deadline date will be stated on the SDHC update notice. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the PHA from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the PHA may reinstate the family if the lack of response was due to PHA error or to circumstances beyond the family's control.

Removal from the Waiting List

SDHC Policy

The SDHC will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

If the SDHC determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list, the family will be removed from the waiting list.

If a family is removed from the waiting list because the SDHC has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the SDHC's decision (see Chapter 14) [24 CFR 960.208(a)].

PART III: TENANT SELECTION

4-III.A. OVERVIEW

The PHA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The PHA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The PHA must 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 [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 960.206(e)(2)]. The PHA's policies must be posted any place where the PHA receives applications. The PHA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The PHA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

SDHC Policy

The SDHC posts its waiting list preferences, community-wide waiting list policies, and tenant selection policies online on the SDHC website.

4-III.B. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use.

Local Preferences [24 CFR 960.206]

PHAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

SDHC Policy

Verification of Terms

"Homeless", "Veterans", and "Families of Veterans" are defined in ***Chapter 7-II.H.***

WITHIN EACH OF THE BELOW NUMBERED CATEGORIES, APPLICANTS WILL BE SERVED ON A FIRST-COME, FIRST-SERVED BASIS (by date and time of application).

SDHC Public Housing Waiting List Preferences

The SDHC will use the following local preferences:

Within each of the following numbered categories, applicants will be served by date and time of application.

1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.

2. Other applicants who live and/or work in the City of San Diego.

3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability.

4. Other applicants who do not live and/or work in the City San Diego.

When a family has been selected from the waiting list, they must be prepared at that time to begin the eligibility process. If the family is unable, they will be dropped from the waiting list. Exceptions for purposes of reasonable accommodation will be considered on a case-by-case basis.

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, the PHA may skip non-ELI families on the waiting list in order to select an ELI family.

If a PHA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the PHA's HCV program during a PHA fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the PHA's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the PHA fiscal year; (2) ten percent of waiting list admissions to the PHA's housing choice voucher program during the PHA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of PHA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

SDHC Policy

The SDHC will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

Mixed Population Developments [24 CFR 960.407]

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) or the PHA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The PHA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The PHA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the PHA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The PHA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

SDHC Policy

The SDHC does not have mixed population developments at this time.

Units Designated for Elderly or Disabled Families [24 CFR 945]

The PHA may designate projects or portions of a public housing project specifically for elderly or disabled families. The PHA must have a HUD-approved allocation plan before the designation may take place.

Among the designated developments, the PHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the PHA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the PHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

SDHC Policy

The SDHC does not have designated elderly or designated disabled housing at this time.

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The PHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the PHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The PHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the PHA must comply with the following steps:

Step 1. The PHA must determine the average income of all families residing in all the PHA's covered developments. The PHA may use the median income, instead of average income, provided that the PHA includes a written explanation in its annual plan justifying the use of median income.

SDHC Policy

The SDHC will determine the average income of all families in all covered developments on an annual basis.

Step 2. The PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

SDHC Policy

The SDHC will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (federal poverty level or 30% of median income, whichever number is higher).

Step 4. The PHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the PHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances the PHA’s deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed - to include rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR

- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the PHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the PHA's deconcentration policy. The PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the PHA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

SDHC Policy

In addition to maintaining its public housing stock in a manner that is safe, clean, well landscaped and attractive, the SDHC may offer the following incentives for higher income families (above 30% of AMI) moving into lower income developments and for lower income families (below 30% AMI) moving into higher income developments:

- SDHC will approve a transfer request to another development of the family's preferences after one year of occupancy at a development designated for deconcentration (such transfers will be based on the date order of similar requests received).

- The SDHC's goal is to further deconcentration by proactively mixing incomes of households residing in particular public housing developments. Family self- sufficiency efforts for current residents may help in attaining the goal.

Order of Selection [24 CFR 960.206(e)]

The PHA system of preferences may select families either according to the date and time of application or by a random selection process.

SDHC Policy

Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the SDHC.

When selecting applicants from the waiting list, the SDHC will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The SDHC will offer the unit to the highest-ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as income targeting and deconcentration/income mixing and income targeting will also be considered in accordance with HUD requirements and SDHC Policy.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the PHA must notify the family [24 CFR 960.208].

SDHC Policy

The SDHC will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

Requirement to call the SDHC to conduct a pre-screening by phone.

Based on the results of the pre-screening call, if the family appears to be eligible and is still interested, another notice will be sent to the family, informing the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview

Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

Documents that must be provided at the interview to document eligibility for a preference, if applicable

Other documents and information that should be brought to the interview

If a notification letter is returned to the PHA with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the PHA from making an eligibility determination; therefore, no informal hearing will be offered.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

SDHC Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the SDHC.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, the SDHC will allow the family to retain its place on the waiting list for 10 business days. If not all household members have disclosed their SSNs at the next time a unit becomes available, the SDHC will offer a unit to the next eligible applicant family on the waiting list.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the SDHC will proceed with the interview. If the SDHC determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the SDHC will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the SDHC will provide translation services in accordance with its LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the SDHC in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the SDHC will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without SDHC approval will have their applications removed from the waiting list based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be removed from the waiting list. Such failure to act on the part of the applicant prevents the SDHC from making an eligibility determination, therefore the PHA will not offer an informal hearing.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

SDHC Policy

The SDHC will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

SDHC Policy

If the SDHC determines that the family is ineligible, the SDHC will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal hearing (see Chapter 14).

If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for the PHA's policy regarding such circumstances.

The PHA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Act, and as outlined in 16-VII.C, at the time the applicant is provided assistance or at the time the applicant is denied assistance. This notice must be provided in both of the following instances: (1) when a family actually begins receiving assistance lease execution; or
(2) when a family is notified of its ineligibility.

Chapter 5
OCCUPANCY STANDARDS AND UNIT OFFERS

INTRODUCTION

The PHA must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

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

Policies in this chapter are organized in two parts.

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

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

PART I: OCCUPANCY STANDARDS

5-I.A. OVERVIEW

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

5-I.B. DETERMINING UNIT SIZE

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

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

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

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

SDHC Policy

The SDHC will use the same occupancy standards for each of its developments.

The SDHC does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom. The SDHC's Occupancy 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 are related to the number of bedrooms in the unit. Dwelling units will be assigned so that:

- Generally, two people will occupy each bedroom in the unit with the following considerations:
  - Adults of different generations, adults of the opposite sex (other than spouses or partnership relationship), and unrelated adults will not be required to share a bedroom. Minors of the opposite sex will not be required to share a bedroom.
  - Children related to a household member by birth, adoption, or court awarded custody, or any minor child with familial status* will be considered when determining unit size.

    *Familial status will be verified and approved on a case-by-case basis.

    Foster children/adults will be included in determining unit size only if they will be in the unit for more than 6 months and as long as it does not

overcrowd the unit based on the PHA's occupancy standards.

- Live-in aides will generally be provided a separate bedroom. No additional bedrooms are provided for the live-in aide's family.
- Space may be provided for a child (regardless of age) who is away at school but who lives with the family during school recesses.
- A single pregnant woman with no other household members and a single parent with one child and no other household members can be assigned a one-bedroom unit. Assuming no other changes in family composition, the family will be eligible for a transfer to a 2-bedroom unit after the child reaches 1 year of age. Otherwise, an unborn child will not be counted as a person in determining unit size.
- Children in the process of being adopted will be considered when determining unit size.
- Children who will live in the unit less than 50 percent of the time will not be considered when determining unit size.

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

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
1	1	3
2	2	5
3	3	7

5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

Types of Exceptions

SDHC Policy

The SDHC will consider granting exceptions to the occupancy guidelines in cases where it is the family's request and/or the SDHC determines the exception is 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:

1. Applicants may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to local code). The family must agree not to request a transfer unless their family composition changes or until they have occupied the unit for 3 years.

   A family that voluntarily accepts a unit that is smaller than what the family is eligible for will be required to sign a statement stating that unless there is an increase in family size, the family agrees that they are not eligible for a transfer to a larger unit for 3 years.

   The SDHC may offer a family a unit that is larger than required by the SDHC's occupancy standards, if the waiting list is short of families large enough to fill the vacancy, or at SDHC discretion.

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

   The SDHC will grant an exception upon request as a reasonable accommodation for persons with disabilities if the need is appropriately verified, or if the disability is obvious or otherwise known to the PHA and the need for the additional bedroom size is obvious or otherwise known to the PHA, and meets requirements in Chapter 2, Policies Related to Persons with Disabilities.

   Other 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. The SDHC will make efforts to verify the existence of the medical equipment, its square footage in floor size, and that the existing living and closet spaces cannot accommodate the medical equipment. An SDHC inspector will view the equipment to verify its size and that all existing living and storage spaces are insufficient.

   Unless the disability is obvious or otherwise known to the PHA and the need for the accommodation request is clear or known, a competent professional will verify requests based on health-related reasons.

Processing of Exceptions

SDHC Policy

Requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the SDHC will encourage the resident to make the request using a reasonable accommodation request form. However, the SDHC will consider the exception request any time the resident indicates that an accommodation is needed, whether or not a formal written request is submitted. If the request is submitted orally, an SDHC staff person will document the oral request in writing.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests made for health- related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related need for the accommodation is readily apparent or otherwise known to the SDHC.

The SDHC will notify the family of its decision within 10 business days of receiving the family's request.

PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

5-II.A. OVERVIEW

The PHA must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination laws.

In filling an actual or expected vacancy, the PHA must offer the dwelling unit to an applicant in the appropriate offer sequence. The PHA will offer the unit until it is accepted. This section describes the PHA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the PHA's policies for offering units with accessibility features.

SDHC Policy

The SDHC 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.

5-II.B. NUMBER OF OFFERS

SDHC Policy

The SDHC has adopted a "two offer plan" for offering units to applicants. The unit offers will be based on the distribution of vacancies. If a suitable unit is available in:

The applicant will be offered a suitable unit that has been vacant the longest. If the offer is rejected, the applicant will be offered a suitable unit in a different location that has the next-longest vacancy. The offers will be made in sequence and the applicant must refuse an offer before another is made. The second unit offer will be the final offer, unless there is good cause for refusing the offer(s).

Exceptions may occur to comply with the Deconcentration Policy.

5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

SDHC Policy

Applicants must accept or refuse a unit offer within 5 business days of the date of the unit offer. The SDHC will also attempt to call and email the applicant.

5-II.D. REFUSALS OF UNIT OFFERS

Good Cause for Unit Refusal

SDHC Policy

Applicants may refuse to accept a unit offer for "good cause." *Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

The family demonstrates to the SDHC's satisfaction that accepting the offer will place a family member's life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders; other court orders; risk assessments related to witness protection from a law enforcement agency; or documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application), or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives up to two offers for which they do not have good cause to refuse.

Each unit refusal for good cause will be considered on a case-by-case basis. An applicant is not limited to a specific number of good cause refusals, however, the PHA will require documentation of each unit refusal for good cause.

Unit Refusal without Good Cause

SDHC Policy

When an applicant refuses the first offer of a unit without good cause, the applicant will receive a second offer, per 5-II.B. When an applicant refuses the second offer of a unit without good cause, the SDHC will remove the applicant's name from the waiting list and send notice to the family of their removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the SDHC opens the waiting list.

5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

PHAs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the PHA must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the PHA's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the PHA may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

SDHC Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the SDHC will offer the unit to a non- disabled applicant.

When offering an accessible unit to a non-disabled applicant, the SDHC will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

Chapter 6
INCOME AND RENT DETERMINATIONS
[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

INTRODUCTION

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family's rent payment. The PHA will use the policies and methods described in this chapter to ensure that only income-eligible families receive assistance and that no family pays more or less rent than is required under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income which are excluded from the family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.

Part II: Assets. HUD regulations specify the types of assets which are excluded from a family's annual income. These requirements and PHA policies for calculating income from assets are found in Part II.

Part III: Adjusted Income. Once annual income has been established, HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to adopt additional permissive deductions. These requirements and PHA policies for calculating adjusted income are found in Part III.

Part IV: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice of rent.

PATH TO SUCCESS

The San Diego Housing Commission, in its Moving to Work Plan, implemented the innovative Path to Success (PTS), as a major reform to:

Help families increase their income and complete their education

Enhance customer service

Streamline the rent calculation and other administrative processes

Use Federal dollars more efficiently and leverage the savings to assist more low-income families; and

Improve participants' understanding of the Housing Choice Voucher and public housing programs.

The policies described in this chapter identify Path to Success regulations, including the calculation of tenant rent.

Definitions under Path to Success

Under SDHC's Path to Success initiative, all families, including new admissions, are divided into two groups, defined as Work Able and Elderly/Disabled families.

These two definitions are for Path to Success purposes only and do not change the HUD definitions for purposes of eligibility.

Work Able Families

Family in which at least one adult member is less than 62 years old, not disabled and not a full-time student ages 18 to 23 (excluding Head, Spouse or Co-head)

Elderly/Disabled Families

Families in which 100% of adults are, 62 years or older, disabled, or a full-time student (18 to 23 years old) not including the head of household, spouse or co-head. The family may have any kind of income. (e.g. wages, SSI, SSA, VA, Retirement)

PART I: ANNUAL INCOME

6-I.A. OVERVIEW [24 CFR 5.609]

Annual income includes:

- All amounts, not specifically excluded in 24 CFR 5.609(b);
- All amounts received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse;
- Unearned income by or on behalf of each dependent who is under 18 years of age; and
- Imputed returns of an asset based on the current passbook savings rate, as determined by HUD, when the value of net family assets exceeds $50,000 (which amount HUD will adjust annually) and the actual returns from a given asset cannot be calculated.

In addition to this general definition, the regulations at 24 CFR 5.609(b) provide a comprehensive listing of all sources of income that are excluded from annual income. Note, unlike in previous versions of the regulations, the current regulations governing annual income do not list sources of income that are to be included. Instead, HUD relies on the definition of excluded income under 24 CFR 5.609(b) to provide the scope of what is included. To that end, generally, all income is included unless it is specifically excluded by regulation.

Annual income also includes all actual anticipated income from assets (provided the income is not otherwise excluded) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

24 CFR 5.603(b)(1) describes HUD regulations for treating specific types of assets.

The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Full Definition (Exhibit 6-1)
- Treatment of Family Assets (Exhibit 6-2)
- The Effect of Welfare Benefit Reduction (Exhibit 6-3)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Overview

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 in accordance with HUD regulations and PHA policies in Chapter 9. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

SDHC Policy

Per SDHC's MTW Plan, foster care payments, adoption assistance payments, and Kin- GAP payments are included in the determination of the household's annual adjusted income after admission, beginning July 1, 2015.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income from all sources (both earned and unearned) is excluded [24 CFR 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included [24 CFR 5.609(a)].
Minors	Earned income of children under 18 years of age is excluded [24 CFR 5.609(b)(3)]. All other sources of unearned income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	SDHC Policy Per SDHC's MTW Plan, earned income is excluded. Full-time student is defined as any student aged 18-23 who is not the head, spouse, or cohead, foster child/adult, or live-in aide.

Temporarily Absent Family Members

Unlike the previous version of the regulations, the current regulations governing annual income do not specifically address temporarily absent family members. The regulations also do not define "temporarily" or "permanently" absent or specify a timeframe associated with a temporary versus a permanent absence.

SDHC Policy

Unless specifically excluded by the regulations, the income of all family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for

more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

SDHC 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 SDHC indicating that the student has established a separate household, or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care (as confirmed by the state child welfare agency) are considered members of the family [24 CFR 5.403].

SDHC Policy

If a child has been placed in foster care, the SDHC 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 continue to be counted as a family member.

Absent Head, Spouse, or Cohead

SDHC Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member**.**

Family Members Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, PHAs may determine that that person is no longer a member of the assisted household, and the income of that person is not counted [New PH OCC GB, *Income Determinations,* p. 12].

SDHC Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the SDHC will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Joint Custody of Children

SDHC Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the SDHC will make the determination based on available documents such as court orders, an IRS income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

Caretakers for a Child

SDHC Policy

The approval of a caretaker is at the SDHC's discretion and subject to the SDHC's screening criteria. If neither a parent nor a designated guardian remains in a household, the SDHC will take the following actions.

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.

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 SDHC will extend the caretaker's status as an eligible visitor.

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.

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.

6-I.C. CALCULATING ANNUAL INCOME

The methodology used for calculating annual income differs depending on whether income is being calculated at initial occupancy, interim reexamination, or as part of an annual reexamination. However, income from assets is always anticipated regardless of certification type.

Calculating Annual Income at Annual Reexamination [24 CFR.609(c)(2)]; Notice PIH 2023-27

At annual reexamination, PHAs must first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with PHA policies in Chapter 9 and HUD regulations, must be considered. If, however, there have been no changes to income, then the amount of income calculated for the previous 12-month period is the amount that will be used to determine the family's rent. Income from assets is always anticipated, irrespective of the income examination type. Policies related to conducting annual reexaminations are located in Chapter 9.

Anticipating Annual Income [24 CFR 5.609(c)(1)]

At initial occupancy and for an interim reexamination of family income, the PHA is required to use anticipated income (current income) for the upcoming 12-month period following the new admission or interim reexamination effective date. Policies related to verifying income are found in Chapter 7.

SDHC Policy

When EIV is obtained and the family does not dispute the EIV employer data, the SDHC will use current tenant-provided documents to project annual income. When the tenant- provided documents are pay stubs, the SDHC will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

The SDHC will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data,

and/or If the PHA determines additional information is needed.

In such cases, the SDHC will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the SDHC annualized projected income.

When the SDHC cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the SDHC 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.

Any time 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 PHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If the SDHC verifies an upcoming increase or decrease in income, annual income will be projected 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 $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the new admissions or interim reexamination. In such a case the SDHC would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 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 SDHC 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 PHA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Wages and Related Compensation [24 CFR 5.609(a); Notice PIH 2023-27]

The earned income of each member of the family who is 18 years of age or older, or who is the head of household or spouse/cohead regardless of age, is included in annual income. Income received as a day laborer or seasonal worker is also included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

Earned income means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits [24 CFR 5.100].

A *day laborer* is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future [24 CFR 5.603(b)].

A *seasonal worker* is defined as an individual who is hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer) and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry [24 CFR 5.603(b)]. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver [Notice PIH 2023-27].

SDHC Policy

For persons who regularly receive bonuses or commissions, the SDHC will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the SDHC will use the prior year amounts. In either case the family may provide, and the SDHC 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 SDHC will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].

Earnings of a Minor [24 CFR 5.609(b)(3)]

A minor is a member of the family, other than the head of household or spouse/cohead, who is under 18 years of age. Employment income earned by minors is not included in annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

Earned Income of Full-Time Students [24 CFR 5.609(b)(14)]

The earned income of a dependent full-time student in excess of the amount of the dependent deduction is excluded from annual income. All other sources of unearned income, except those specifically excluded by the regulations, are included.

A family member other than the head of household or spouse/cohead is considered a full-time student if they are attending school or vocational training on a full-time basis [24 CFR 5.603(b)]. Full-time status is defined by the educational or vocational institution the student is attending [New PH OCC GB, *Lease Requirements,* p. 5].

SDHC Policy

Per SDHC's MTW Plan, the full-time student definition includes only students aged 18 to 23 who are not the head, spouse, or cohead. Household members meeting the full-time student definition receive 100 percent employment income exclusion.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255; Streamlining Final Rule (SFR) Federal Register 3/8/16; Notice PIH 2023-27]

HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the PHA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.

SDHC Policy

Per the SDHC's Path to Success program, the Earned Income Disallowance (EID) was discontinued. No new families have been enrolled as of July 1, 2015.

6-I.F. BUSINESS AND SELF-EMPLOYMENT INCOME [24 CFR 5.609(b)(28)]; Notice PIH 2023-27

Annual income includes "net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allow the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

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."

SDHC Policy

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

Independent Contractors

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 2.609 (b)(24)].

An *independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b)].

Business Expansion

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

SDHC Policy

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

Capital Indebtedness

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

SDHC 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 SDHC will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

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

Withdrawal of Cash or Assets from a Business

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

SDHC 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 SDHC 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

SDHC 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.

Assets Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

6-I.G. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations distinguish between two categories of student financial assistance paid to both full-time and part-time students.

Title IV HEA Assistance

Any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)].

Examples of assistance under title IV of the HEA include:

- Federal Pell Grants
- Teach Grants
- Federal Work Study Programs
- Federal Perkins Loans
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA) (starting 1/1/24)
- Bureau of Indian Affairs/Education student assistance programs
    - The Higher Education Tribal Grant
    - The Tribally Controlled Colleges or Universities Grant Program

Other Student Financial Assistance

Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the Federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)]. *Actual covered costs* are defined as the actual costs of:

- Tuition, books, and supplies;
    - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the educational institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse/cohead with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the PHA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance does not include:

- Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);
- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet, PIH Notice 2023-27]

The formula for calculating the amount of other student financial assistance that is excluded from income always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

SDHC Policy

If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the PHA will exclude the full amount of the assistance received under Title IV from the family's annual income. The PHA will not calculate actual covered costs in this case.

If the student does not receive any assistance under Title IV of the HEA but does receive assistance from another source, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The PHA will then subtract the total amount of the student's financial assistance from the student's actual covered costs. The PHA will include any amount of financial assistance in excess of the student's actual covered costs in the family's annual income.

Example 1

- Actual covered costs: $20,000
- Other student financial assistance: $25,000
- Excluded income: $20,000 ($25,000 in financial assistance - $20,000 in actual covered costs)
- Included income: $5,000

When a student receives assistance from both Title IV of the HEA and from other sources, the PHA will first calculate the actual covered costs to the student in accordance with 24 CFR 5.609(b)(ii). The assistance received under Title IV of the HEA will be applied to the student's actual covered costs first and then the other student financial assistance will be applied to any remaining actual covered costs.

If the amount of assistance excluded under Title IV of the HEA equals or exceeds the actual covered costs, none of the assistance included under other student financial assistance" would be excluded from income.

Example 2

- Actual covered costs: $25,000
- Title IV HEA assistance: $26,000
- Title IV HEA assistance covers the students entire actual covered costs.
- Other Student Financial Assistance: $5,000
- Excluded income: The entire Title IV HEA assistance of $26,000
- Included income: All other financial assistance of $5,000

If the amount of assistance excluded under Title IV of the HEA is less than the actual covered costs, the PHA will exclude the amount of other student financial assistance up to the amount of the remaining actual covered costs.

Example 3

- Actual covered costs: $22,000
- Title IV HEA assistance: $15,000
- The remaining amount not covered by Title IV HEA assistance is $7,000 ($22,000 in actual covered costs - $15,000 in Title IV HEA assistance).
- Other Student Financial Assistance: $5,000
- $7,000 in remaining actual covered costs - $5,000 in other financial assistance
- Excluded income: $20,000 entire amount of the Title IV HEA Assistance + $5,000 in other financial assistance
- Included income: $0

Example 4

- Actual covered costs: $18,000
- Title IV HEA Assistance: $15,000
- The remaining amount not covered by Title IV HEA assistance is $3,000 ($18,000 in actual covered costs - $15,000 in Title IV HEA Assistance)
- Other student Financial Assistance: $5,000
- When other student financial assistance is applied, financial assistance exceeds actual covered costs by $2,000 ($3,000 in actual covered costs - $5,000 in other financial assistance).
- Included income: $2,000 (the amount by which the financial aid exceeds the student's actual covered costs).

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are not included in annual income. Regulations do not specify which types of periodic payments are included in annual income.

SDHC Policy

Per SDHC's MTW Plan, foster care payments, adoption assistance payments, and Kin-GAP payments are included in the determination of the household's annual adjusted income after admission, beginning July 1, 2015.

Lump-Sum Payments for the Delayed Start of a Periodic Payment [24 CFR 5.609(b)(16)]

Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs (VA) disability benefits that are received in a lump sum amount or in prospective monthly amounts are excluded from annual income.

SDHC Policy

The PHA will include in annual income lump sums received as a result of delays in processing periodic payments (other than those specifically excluded by the regulation), such as unemployment or welfare assistance.

When a delayed-start payment is received that is to be included and the family reports this during the period in which the PHA is processing a reexamination, the PHA will adjust the family's rent retroactively for the period the payment was intended to cover.

If the delayed-start payment is received outside of the time the PHA is processing a reexamination, then the PHA will consider whether the amount meets the threshold to conduct an interim reexamination. If so, the PHA will conduct an interim in accordance with PHA policies in Chapter 9. If not, the PHA will consider the amount when processing the family's next annual recertification.

Retirement Accounts [24 CFR 5.609(b)(26); Notice PIH 2023-27]

Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals are not considered actual income from assets.

However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.

Social Security Benefits [Notice PIH 2023-27]

Annually in October, the Social Security Administration (SSA) announces the cost-of-living adjustment (COLA) by which federal Social Security and SSI benefits are adjusted to reflect the increase, if any, in the cost of living. The federal COLA does not apply to state-paid disability benefits. Effective the day after the SSA has announced the COLA, PHAs are required to factor in the COLA when determining Social Security and SSI annual income for all reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year [Notice PIH 2023-27].

PHA Policy

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. When the SSA overpays an individual, resulting in a withholding or deduction from their benefit amount until the overpayment is paid in full, the PHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount. Further, if a family's social security income is garnished for any reason, the PHA will use the net amount after the garnishment in order to calculate the family's income.

Alimony and Child Support

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders [Notice PIH 2023-27].

SDHC Policy

The SDHC will count all regular payments of alimony or child support awarded as part of a divorce or separation agreement.

The SDHC will count court-awarded amounts for alimony and child support unless the family certifies and the SDHC verifies that the payments are not being made.

In order to verify that payments are not being made, the SDHC will review child support payments over the last three months.

If payments are being made regularly, the SDHC will use the amount received during the last 12 months (excluding any lump sums received). If payments have been made for a period less than 12 months, the SDHC will annualize the average of all payments that have been made.

At new admission or interim recertification if any lump sum payments were made in the past 12 months, the SDHC will determine the likelihood of the family receiving another similar payment within the next 12 months before deciding whether or not this amount will be included in the calculation of annual income.

If the SDHC determines and can appropriately verify that the family in all likelihood will not receive a similar payment, then the amount will not be considered when projecting annual income.

If the SDHC determines that it is likely that the family will receive a similar payment and can appropriately verify it, the amount will be included when projecting annual income.

If no payments have been made in the past three months and there are no lump sums, the SDHC will not include alimony or child support in annual income.

6-I.I. NONRECURRING INCOME [24 CFR 5.609(b)(24) and Notice PIH 2023-27]

Nonrecurring income, which is income that will not be repeated beyond the coming year (e.g., 12 months following the effective date of the certification) based on information provided by the family, is excluded from annual income. The PHA may accept a self-certification from the family stating that the income will not be repeated in the coming year. See Chapter 7 for PHA policies related to verification of nonrecurring income.

Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income as nonrecurring income, even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming reexamination period will be excluded from a family's annual income as nonrecurring income. This exclusion does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

Income amounts excluded under this category may include, but are not limited to:

- Nonrecurring payments made to the family or to a third party on behalf of the family to assist with utilities;
- Payments for eviction prevention;
- Security deposits to secure housing;
- Payments for participation in research studies (depending on the duration); and
- General one-time payments received by or on behalf of the family.

Nonrecurring income that is excluded under the regulations includes:

- Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment [24 CFR 5.609(b)(24)(i)].
- Direct federal or state payments intended for economic stimulus or recovery [24 CFR 5.609(b)(24)(ii)].
- Amounts directly received by the family as a result of state refundable tax credits or state or federal tax refunds at the time they are received [24 CFR 5.609(b)(24)(iii) and (iv)].
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries) [24 CFR 5.609(b)(24)(v)].
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization [24 CFR 5.609(b)(24)(vi)]. When calculating annual income, PHAs are prohibited from assigning monetary value to non-monetary in-kind donations received by the family [Notice PIH 2023-27]. Non-recurring, non-monetary in-kind donations from friends and family are excluded as non-recurring income.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings [24 CFR 5.609(b)(24)(vii)].

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments.

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-3. 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 PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

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)].

For special procedures related to grievance hearings based upon the PHA's denial of a family's request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

Offsets

The amount of the imputed welfare 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)].

6-I.K. STATE PAYMENTS TO ALLOW INDIVIDUALS WITH DISABILITIES TO LIVE AT HOME [24 CFR 5.609(b)(19)]

Payments made by or authorized by a state Medicaid agency (including through a managed care entity) or other state or federal agency to an assisted family to enable a member of the assisted family who has a disability to reside in the family's assisted unit are excluded.

Authorized payments may include payments to a member of the assisted family through state Medicaid-managed care systems, other state agencies, federal agencies, or other authorized entities.

The payments must be received for caregiving services a family member provides to enable another member of the assisted family who has a disability to reside in the family's assisted unit. Payments to a family member for caregiving services for someone who is not a member of the assisted family (such as for a relative that resides elsewhere) are not excluded from income.

Furthermore, if the agency is making payments for caregiving services to the family member for an assisted family member and for a person outside of the assisted family, only the payments attributable to the caregiving services for the caregiver's assisted family member would be excluded from income.

6-I.L. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25); FR Notice 2/14/23]

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed $50,000 (as annually adjusted by an inflationary factor), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the PHA chooses not to conduct the examination.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME [24 CFR 5.609(b)]

Other exclusions contained in 24 CFR 5.609(b) that have not been discussed earlier in this chapter include the following:

- Payments received for the care of foster children or foster adults or state or tribal kinship or guardianship care payments [24 CFR 5.609(b)(4)].
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation [24 CFR 5.609(b)(5)]. However, periodic payments paid at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that are received in lieu of wages for workers' compensation are included in annual income [Notice PIH 2023-27].
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member [24 CFR 5.609(b)(6)].
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled [24 CFR 5.609(b)(7)].
- Income and distributions from any Coverdell education savings account under Section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under Section 529 of such Code [24 CFR 5.609(b)(10)].
- Income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government [24 CFR 5.609(b)(10)].
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(b)(11)].
- Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance [24 CFR 5.609(b)(17)]. This income exclusion applies only to veterans in need of regular aid and attendance and not to other beneficiaries of the payments, such as a surviving spouse [Notice PIH 2023-27].
- Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car) [24 CFR 5.609(b)(20)]. The loan borrower or co-borrower must be a member of the family for this income exclusion to be applicable [Notice PIH 2023-27].
- Payments received by tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other federal law [24 CFR 5.609(b)(21)]. Generally, payments received by tribal members in excess of the first $2,000 of per capita shares are included in a family's annual income for purposes of determining eligibility. However, as explained in Notice PIH 2023-27, payments made under the Cobell Settlement, and certain per capita payments under the recent Tribal Trust Settlements, must be excluded from annual income in HUD programs that adopt the definitions of *annual income* in 24 CFR 5.609, the Census Long Form, and the IRS Form 1040, including the programs affected by Notice PIH 2023-27.
- Replacement housing "gap" payments made in accordance with 49 CFR Part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another federally subsidized housing unit. Such replacement housing "gap"

payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments [24 CFR 5.609(b)(23)].

- Income earned on amounts placed in a family's Family Self-Sufficiency account [24 CFR 5.609(b)(27)].
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(12)(ii)].
- 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(b)(12)(i)].
- Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development [24 CFR 5.600(b)(12)(iii)].
- Incremental earnings and benefits to any family member resulting from participation in qualifying training program funded by HUD or in qualifying federal, state, tribal, 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 unless those amounts are excluded under 24 CFR 5.609(b)(9)(i) [24 CFR 5.609(b)(12)(iv)].

  SDHC Policy

  The SDHC 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 of 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 SDHC 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 SDHC 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 SDHC's interim reporting requirements.

- 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(b)(13)].
- Adoption assistance payments for a child in excess of the amount of the dependent deduction per adopted child [24 CFR 5.609(b)(15)].
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(b)(20)].

- Amounts that HUD is required by federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(b) apply. HUD will publish a notice in the *Federal Register* to identify the benefits that qualify for this exclusion. Updates will be published when necessary [24 CFR 5.609(b)(22)].

HUD publishes an updated list of these exclusions periodically. The most recent list of exclusions was published in the *Federal Register* on May 20, 2014. 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) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC

(c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)

(d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))

(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)

(f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

(g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts

(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)

(j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))

(k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al.* v. *Ken Salazar et al.,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010

(l) 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)

(m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)

(n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

(o) 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 Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

(p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida

(q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

(r) 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)

(s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))

(t) 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)

(u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249)

(v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

(w) 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)

(x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002

(y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))

(z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

(aa) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance [See also Notice PIH 2019-09]

PART II: ASSETS

6-II.A. OVERVIEW

Annual income includes all actual anticipated income from assets (unless otherwise excluded by the regulations) even if the asset itself is excluded from net family assets [Notice PIH 2023-27].

The regulation at 24 CFR 5.603(b)(3) provides a list of items that are excluded from the calculation of net family assets. Note, unlike previous versions of the regulations, the current regulations do not list types of assets that are included in annual income. Instead, HUD relies on the definition of items excluded from assets to provide the scope of what is included. Exhibit 6-2 provides the regulatory definition of *net family assets*.

Optional policies for family self-certification of assets are found in Chapter 7. Policies related to the asset limitation may be found in Chapter 3.

Income from assets is always anticipated, irrespective of the income examination type.

SDHC Policy

The SDHC generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. The SDHC will 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 SDHC 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 SDHC can take into consideration past rental income along with the prospects of obtaining a new tenant.

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 SDHC to show why the asset income determination does not represent the family's anticipated asset income.

6-II.B. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(b)(2)]

PHAs must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application or reexamination, as applicable, in excess of the consideration received for the asset.

An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value. [Notice PIH 2023-27].

Minimum Threshold

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. A PHA may establish a policy to ignore small amounts such as charitable contributions [New PH OCC GB, *Income Determinations,* p. 24].

SDHC Policy

The SDHC 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 $10,000.

Separation or Divorce

The regulation 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.

SDHC 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. 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. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Asset Owned by a Business Entity

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one-third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted toward net family assets (e.g., one-third of the value of the restaurant) [Notice PIH 2023-27].

Family Declaration

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

6-II.C. ASSET INCLUSIONS AND EXCLUSIONS

Checking and Savings Accounts [Notice PIH 2023-27]

HUD considers bank accounts as non-necessary items of personal property. Whether or not necessary personal property is counted toward net family assets depends on the combined value of all of the family's assets.

- When the combined value of net family assets is greater than $50,000, as adjusted by inflation, checking and/or savings accounts would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed $50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's checking and/or savings accounts would not be considered when calculating net family assets.

However, actual income from checking and savings accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded.

ABLE Accounts [24 CFR 5.609(b)(10); Notice PIH 2019-09]

An Achieving a Better Life Experience (ABLE) account is a type of tax-advantaged savings account that an eligible individual can use to pay for qualified disability expenses. Section 103 of the ABLE Act mandates that an individual's ABLE account (specifically, its account balance, contributions to the account, and distributions from the account) is excluded when determining the designated beneficiary's eligibility and continued occupancy under certain federal means-tested programs. The PHA must exclude the entire value of the individual's ABLE account from the household's assets. Distributions from the ABLE account are also not considered income. However, all wage income received, regardless of which account the money is paid to, is included as income.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [24 CFR 5.603(b)(1)]

HUD considers financial investments such as stocks and bonds non-necessary items of personal property. Whether non-necessary personal property is counted toward net family assets depends on the combined value of all the family's assets.

- When the combined value of net family assets is greater than $50,000, as adjusted by inflation, financial investments such as stocks and bonds are considered part of net family assets. In this case, the value of the family's financial investments such as stocks and bonds would be counted toward net family assets.
- When the combined value of all non-necessary personal property does not exceed $50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets. In this case, the value of the family's financial investments such as stocks and bonds would not be considered when calculating net family assets.

However, actual income from financial accounts is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, but when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is $0.

SDHC Policy

The SDHC will include interest or dividends earned by investment accounts as actual income from assets even when the earnings are reinvested.

The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

In determining the market value of an investment account, the SDHC will use the value of the account on the most recent investment report.

Necessary and Non-Necessary Personal Property [24 CFR 5.603(b)(3)(i)]

All assets are categorized as either *real property* (e.g., land, a home) or *personal property*.

Personal property includes tangible items, like boats, as well as intangible items, like bank accounts.

The value of **necessary** items of personal property is excluded from the calculation of net family assets.

HUD defines *necessary personal property* as items essential to the family for the maintenance, use, and occupancy of the premises as a home; or they are necessary for employment, education, or health and wellness. Necessary personal property includes more than merely items that are indispensable to the bare existence of the family. It may include personal effects (such as items that are ordinarily worn or utilized by the individual), items that are convenient or useful to a reasonable existence, and items that support and facilitate daily life within the family's home. Necessary personal property also includes items that assist a household member with a disability, including any items related to disability-related needs, or that may be required for a reasonable accommodation for a person with a disability. Necessary personal property does not include bank accounts, other financial investments, or luxury items. Items of personal property that do not qualify as necessary personal property are classified as non-necessary personal property.

The combined value of all **non-necessary** items of personal property is only included in annual income when the combined total value exceeds $50,000 (adjusted annually). When the combined value of all non-necessary personal property does not exceed $50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family assets.

While not an exhaustive list, the following table from Notice PIH 2023-27 provides examples of necessary and non-necessary personal property.

Necessary Personal Property	Non-Necessary Personal Property
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter) Furniture, carpets, linens, kitchenware Common appliances Common electronics (e.g., radio, television, DVD player, gaming system) Clothing Personal effects that are not luxury items cultural value, or which does not hold family (e.g., toys, books) significance Wedding and engagement rings Jewelry used in religious/cultural celebrations and ceremonies Religious and cultural items Medical equipment and supplies Health care–related supplies Musical instruments used by the family Personal computers, phones, tablets, and related equipment Professional tools of trade of the family, for example professional books Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)	Recreational car/vehicle not needed for day-to-day transportation for personal or business use (campers, motorhomes, traveling trailers, all-terrain vehicles (ATVs)) Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds) Recreational boat/watercraft Expensive jewelry without religious or cultural value, or which does not hold family significance Collectibles (e.g., coins/stamps) Equipment/machinery that is not used to generate income for a business Items such as gems/precious metals, antique cars, artwork, etc.

SDHC Policy

In determining the value of non-necessary personal property, the SDHC will use the family's estimate of the value. The SDHC may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24(viii); Notice PIH 2023-27]

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The PHA must consider any actual or imputed returns from assets as income at the next applicable income examination. In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 9. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the PHA chooses not to conduct the examination.

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.

SDHC Policy

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a $1,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

Jointly Owned Assets [Notice PIH 2023-27]

For assets owned jointly by the family and one or more individuals outside of the assisted family, the PHA must include the total value of the asset in the calculation of net family assets, unless:

- The asset is otherwise excluded;
- The family can demonstrate that the asset is inaccessible to them; or
- The family cannot dispose of any portion of the asset without the consent of another owner who refuses to comply.

If the family demonstrates that they can only access a portion of an asset, then only that portion's value is included in the calculation of net family assets for the family.

Any income from a jointly-owned asset must be included in annual income, unless:

- The income is specifically excluded;
- The family demonstrates that they do not have access to the income from that asset; or
- The family only has access to a portion of the income from that asset.

SDHC Policy

If the family demonstrates that they can only access a portion of the income from an asset, then only that portion's value is included in the calculation of income from assets.

If an individual is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise withdraw funds from an account, then the account is not an asset to the assisted family, and the family should provide proper documentation demonstrating that they are only a beneficiary on the account.

Trusts [24 CFR 5.609(b)(2) and 5.603(b)(4)]

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).

The following types of trust distributions are excluded from annual income:

- Distributions of the principal or corpus of the trust; and
- Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an irrevocable trust, the creator has no access to the funds in the account. Irrevocable trusts not under the control of any member of the family or household are not assets. Typically, special needs trusts are considered irrevocable. The value of the trust is not included in net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4)]. Where an irrevocable trust is excluded from net family assets, the PHA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed. If the value of the trust is not considered part of the family's net assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

The value of revocable trusts that are not under the control of the family are excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee. If this is the case, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

Revocable trusts under the control of the family or household (e.g., the grantor is a member of the assisted family or household) are considered assets and must be included in net family assets.

If the value of the trust is considered part of the family's net assets, then distributions from the trust are not considered income to the family. The PHA must count all actual returns (e.g., interest earned) from the trust as income or, if the trust has no actual returns (e.g., if the trust is comprised of farmland that is not in use) and the total value of the combined net family assets exceeds $50,000 (as that amount is updated for inflation), as imputed returns, as applicable.

Life Insurance [FR Notice 2/14/23 and Notice PIH 2023-27]

Net family assets do not include the value of term life insurance, which has no cash value to the individual before death.

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets . The cash value is the surrender value. While the cash value of an insurance policy is considered an asset, the face value of any policy is not. If such a policy earns dividends or interest that the family could elect to receive, the amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

Tax Refunds [24 CFR 5.603(b)(3)(xi) and Notice PIH 2023-27]

All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

At the time of an annual or interim reexamination of income, if the federal tax refund was received during the 12 months preceding the effective date of the reexamination, then the amount of the refund that was received by the family is subtracted from the total value of the account in which the federal tax refund or refundable tax credits were deposited. When the subtraction results in a negative number, then the balance of the asset is considered $0.

If the tax refund or refundable tax credit is deposited into another excluded asset, such as a retirement account or a Coverdell Education Savings Account, then the deposit will have no effect on the balance of the asset (i.e., there is no need for the PHA to subtract the amount of the deposit from the value of the excluded asset).

Asset Exclusions [24 CFR 5.603(b)]

The following are excluded from the calculations of net family assets:

- The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals [24 CFR 5.603(b)(3)(iii)]
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located [24 CFR 5.603(b)(3)(iv)]
    - *Real property* as used in this part has the same meaning as that provided under the law of the state in which the property is located [24 CFR 5.100].
    - Examples of this include but are not limited to co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; and inherited property in dispute [Notice PIH 2023-27]. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability [24 CFR 5.603(b)(3)(v)];
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 [24 CFR 5.603(b)(3)(vi)];
- The value of any qualified tuition program under Section 529 of such Code [24 CFR 5.603(b)(3)(vi)];
- The value of any "baby bond" account created, authorized, or funded by federal, state, or local government [24 CFR 5.603(b)(3)(vi)];

- Interests in Indian trust land [24 CFR 5.603(b)(3)(vii)];
- Equity in a manufactured home where the family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(viii)];
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982 [24 CFR 5.603(b)(3)(ix)];
- Family Self-Sufficiency accounts [24 CFR 5.603(b)(3)(x)];
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family [24 CFR 5.603(b)(3)(xi)];
- The full amount of assets held in an irrevocable trust [Notice PIH 2023-27]; and
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the tenant family or household [Notice PIH 2023-27].

6-II.D. HEALTH AND MEDICAL CARE EXPENSES [24 CFR 5.609, 5.603]

Anticipated health and medical care expenses will be calculated by using one of the two following methods, (whichever is more beneficial to the family);

1. **Current Circumstances**: Use the family's current medical bills, accumulated over the last twelve months, as anticipated medical expenses.

2. **Estimated Circumstances**: Estimate the cost of medical bills based on current or anticipated medical bills that will be on-going expenses.

Examples of allowable health and medical care expenses include:

Services of doctors and health care professionals

Services of health care facilities

Medical insurance premiums

Long-term care premiums

Prescription medicines

Transportation to treatment (cab, bus fare, or other public transportation)

Dental expenses, eyeglasses, hearing aids, batteries

Live-in or periodic medical assistance

Acupressure, acupuncture, and chiropractic services will be considered allowable medical expenses

6-II.E. DETERMINING INCOME FROM ASSETS

In some cases, amounts that are excluded from net family assets may be included as annual income when disbursements are made to a family from an asset. In other cases, amounts are excluded from annual income as a lump-sum addition to net family assets, but those funds are then considered a net family asset if held in an account or other investment that is considered part of net family assets [Notice PIH 2023-27].

Net Family Assets

SDHC Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions such as settlement costs and transfer taxes [New PH OCC GB, *Income Determinations,* p. 24].

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

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of 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.

The cash value of real property or other assets with negative equity would be considered $0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets [Notice PIH 2023-27].

Actual Income from Assets

Income from assets must be included on the Form HUD-50058 regardless of the amount of income. Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR 5.609(b).

Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

The PHA may determine the net assets of a family based on a self-certification by the family that the net family assets do not exceed $50,000 (adjusted annually by HUD), without taking additional steps to verify the accuracy of the declaration [24 CFR 5.618(b)]. Policies related to verification of assets are found in Chapter 7 of this policy.

The PHA may not calculate or include any imputed income from assets when net family assets total $50,000 or less [24 CFR 5.609(b)(1)]. The actual income from assets must be included on the Form HUD-50058.

Imputed Income from Assets

When net family assets exceed $50,000 (adjusted annually by HUD), the PHA may not rely on self-certification. If actual returns can be calculated, the PHA must include actual income from the asset on the Form HUD-50058 (for example, a savings account or CD where the rate of return is known). If actual returns cannot be calculated, the PHA must calculate imputed returns using the HUD-determined passbook rate (for

example, real property or a non-necessary item of personal property such as a recreational boat). If the PHA can compute actual income from some but not all assets, the PHA must compute actual returns where possible and use the HUD-determined passbook rate for assets where actual income cannot be calculated [24 CFR 5.609(a)(2)].

An asset with an actual return of $0 (such as a non-interest-bearing checking account), is not the same as an asset for which an actual return cannot be computed (such as non-necessary personal property). If the asset is a financial asset and there is no income generated (for example, a bank account with a zero percent interest rate or a stock that does not issue cash dividends), then the asset generates zero actual asset income, and imputed income is not calculated. When a stock issues dividends in some years but not others (e.g., due to market performance), the dividend is counted as the actual return when it is issued, and when no dividend is issued, the actual return is $0. When the stock never issues dividends, the actual return is consistently $0.

PART III: ADJUSTED INCOME

6-III.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies and allow the PHA to deduct other permissive deductions in accordance with PHA policy. The resulting amount is the family's adjusted income. Mandatory deductions, found in 24 CFR 5.611, are described below, followed by the SDHC's MTW policy.

(a) *Mandatory deductions*

(1) $480 for each dependent (adjusted annually by HUD, rounded to the next lowest multiple of $25)

(2) $400 for any elderly family or disabled family. $525 for any elderly family or disabled family (adjusted annually by HUD, rounded to the next lowest multiple of $25)

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family;

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed; and

(4) Any reasonable child-care expenses necessary to enable a member of the family to be employed, seek work, or to further their education.

SDHC Policy

SDHC's Path to Success streamlines the annual income deductions. All deductions and allowances were eliminated with the exception of the health and medical expense deductions. The child-care deduction is administered under current regulations, while the health and medical expense deduction was streamlined into standard bands as described in this chapter. Disability assistance expenses are folded into the standardized health and medical expense bands as a further streamlining measure. The 3 percent threshold has been eliminated as well. The resulting amount is the family's adjusted income.

Verification requirements related to these deductions are found in Chapter 7.

Calculating Expenses

SDHC Policy

Generally, the SDHC 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 SDHC 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 SDHC 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 SDHC may require the family to provide documentation of payments made in the preceding year.

When calculating health and medical care expenses, the PHA will include those expenses anticipated to be incurred during the 12 months following the certification date which are not covered by an outside source, such as insurance. The allowance is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Since these expenses are anticipated, the *PH Occupancy Guidebook* states "it is likely that actual expenses will not match what was anticipated. Typically, this would not be considered an underpayment as long as at the time of the reexamination, the expenses were calculated based on the appropriate verification" [New PH OCC GB, *Income Determinations,* p. 30]. For reexaminations, the PHA will use information for the previous 12-month period.

6-III.B. DEPENDENT DEDUCTION

Allowances and Deductions

Adjusted Income is defined as the Annual income minus any HUD allowable expenses and deductions. HUD has five allowable deductions from Annual Income.

Dependent Allowance: $480 each for family members (other than the head, spouse, co-head, foster child, foster adult or live-in aide) who are minors, and for family members who are 18 or older and who are full-time students or who are disabled, amount to be adjusted by HUD according to the CPI-W annually; to be applied at the next biennial or interim reexamination at the annual adjustment, whichever is sooner.

SDHC Policy

With the implementation of SDHC's Path to Success, this deduction was eliminated.

6-III.C. ELDERLY OR DISABLED FAMILY DEDUCTION

Elderly/Disabled Allowance: Reexaminations effective 12/31/2024 and prior, $400 per family for families whose head, spouse or co-head is 62 years of age or older or disabled; Reexaminations effective 1/1/2025 and after, $525 per family for families whose head, spouse or co-head is 62 years of age or older or disabled amount to be adjusted by HUD according to the CPI-W annually; to be applied at the next biennial or interim reexamination at the annual adjustment, whichever is sooner.

SDHC Policy

With the implementation of SDHC's Path to Success, this deduction was eliminated.

6-III.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

With the implementation of SDHC's Path to Success, the allowable health and medical expenses and allowable disability expenses have been combined under the term "Health and Medical Expenses" and simplified into bands with deduction amounts as shown below:

Allowable health and medical care expenses:

For certifications Effective 1/1/2025 or upon implementation of HOTMA:

Deducted for all family members of an eligible elderly/disabled family; to the extent the sum exceeds ten percent of annual income.

Hardship exemption for hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

To receive hardship relief, a family must make a request for exemption and have received a deduction from annual income because the sum of their health and medical care expenses and/or reasonable attendant care and auxiliary apparatus expenses exceeded 3 percent of annual income as of January 1, 2025.

If approved, the family will receive a deduction from annual income for above expenses in excess of 5 percent of annual income for 12 months, then for expenses in excess of 7.5 percent of annual income for an additional 12 months. After the 24-month period has expired, the family is not eligible for this exception again.

If family makes a request after the 24 month hardship has been provided, family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

Upon approval, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income for 90 days or when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. SDHC may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

SDHC will promptly notify the family in writing electronically or by mail of adjusted income and rent portion due to approved hardship.

Definition of *Health and Medical Expenses*

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) to mean "any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed." Medical insurance premiums continue to be eligible health and medical care expenses. Health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting PHAs to specifically align their policies with IRS Publication 502 for determining which expenses are included in HUD's mandatory deduction for health and medical care expenses. PHAs must review each expense to determine whether it is eligible in accordance with HUD's definition of *health and medical care expenses*.

SDHC Policy

With the implementation of SDHC's Path to Success, the allowable health and medical expenses and allowable disability expenses have been combined under the term "Health and Medical Expenses" and simplified into bands with deduction amounts as shown below:

Health and Medical Expenses	Health and Medical Deduction Given
$0 - $2,499	$0
$2,500 - $4,999	$2,500
$5,000 - $7,499	$5,000
$7,500 - $9,999	$7,500
$10,000+	Actual Expenses

6-III.E. DISABILITY ASSISTANCE EXPENSES 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.

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

SDHC Policy

With the implementation of SDHC's Path to Success, the allowable health and medical expenses and allowable disability expenses have been combined under the term "Health and Medical Expenses" and simplified into bands with deduction amounts as shown in the previous section.

See table in 6-III.D.

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.

SDHC 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 SDHC 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 SDHC 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 [New PH OCC GB, *Income Determination*, p. 28].

Eligible Auxiliary Apparatus [Notice PIH 2023-27]

Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type, or special equipment to assist a person who is deaf or hard of hearing.

Eligible Attendant Care [Notice PIH 2023-27]

Examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day. The family determines the type of attendant care that is appropriate for the person with disabilities.

SDHC Policy

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 SDHC 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 [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 not 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.

SDHC Policy

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

6-III.F. CHILD CARE EXPENSE DEDUCTION

Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school or actively seek employment.

Effective with certifications effective 1/1/25, upon implementation of HOTMA, hardship exemption to continue child care expense deduction.

SDHC Policy

Hardship exemption to continue child care expense deduction.

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the child care expense deduction. SDHC will recalculate the family's adjusted income and continue the child care deduction. The family must demonstrate to SDHC's satisfaction that the family is unable to pay their rent because of loss of the child care expense deduction, and the child care expense is still necessary even though the family member is no longer employed or furthering his or her education.

The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. Additional 90-day extensions may be granted on a base-by-case basis.

SDHC will promptly notify the family in writing electronically or by mail of adjusted income and rent portion due to approved hardship.

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

SDHC 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 SDHC 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

SDHC 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 SDHC.

Furthering Education

SDHC Policy

If the child-care expense being claimed is to enable a family member to further their 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

SDHC 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 their 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 PHA 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].

SDHC 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 SDHC 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 PHA 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

SDHC 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 SDHC 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 their education, and (2) the family certifies, and the child-care provider verifies, that the expenses are not paid or reimbursed by any other source.

SDHC 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 SDHC will use the schedule of child-care costs from the local welfare agency or YWCA Childcare Resource Center. Families may present, and the SDHC will consider, justification for costs that exceed typical costs in the area.

6-III.G. HARDSHIP EXEMPTIONS [24 CFR 5.611(c), (d), and (e)]

Health and Medical Care and Disability Assistance Expenses [24 CFR 5.611(c); Notice PIH 2023-27]

The regulations provide for two types of hardship exemption categories for families that qualify for unreimbursed health and medical care expenses and/or disability assistance expenses. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of five percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, cohead, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

Families may be eligible for relief under one of two categories; phased-in relief or general relief, as defined below.

Phased-In Relief

The first category is applicable to all families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024. The family must receive phased-in relief if they are determined to be eligible as of January 1, 2024. These families will begin receiving a 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first.

For these families, the threshold amount is phased in as follows:

- The family is eligible for a deduction totaling the sum of expenses that exceeds 5 percent of annual income for the first 12 months.
- At the conclusion of 12 months, the family is eligible for a deduction totaling the sum of their expenses that exceed 7.5 percent of annual income for another 12 months.
- At the conclusion of 24 months, the standard threshold amount of 10 percent would be used, unless the family qualifies for relief under the general hardship relief category.
    - When an eligible family's phased-in relief begins at an interim reexamination, the PHA will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

Prior to the end of the 24-month period, the family may request a hardship exemption under the second category as described below. If the family is found eligible under the second category, the hardship exemption under the first category ends, and the family's hardship is administered in accordance with the requirements listed below. Once a family requests general relief, the family may no longer receive phased-in relief.

PHAs must track the 24-month phase-in period for each eligible family, even if a family's expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move to another public housing unit at the same PHA. When the family is treated as a new admission under a different property/program (e.g., the family moves from the HCV program to public housing), unless the PHA has a written policy to continue the phased-in relief upon admission, the family's expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the PHA.

PHA Policy

The PHA will not continue the phased-in relief for families who move from the HCV program to public housing. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

General Relief

The second category is for families that can demonstrate:

- Their health and medical and/or disability assistance expenses increased (other than the transition to the higher threshold); or
- The family's financial hardship is a result of a change in circumstances (as defined in PHA policy) that would not otherwise trigger an interim reexamination.

The family may request a hardship exemption under the second category regardless of whether the family previously received the health and medical and/or disability assistance deductions or are currently or were previously receiving relief under the phased-in relief category above. HUD requires that PHAs develop policies defining what constitutes a hardship for purposes of this exemption.

The PHA must obtain third-party verification of the hardship or must document in the file the reason third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family's financial hardship is a result of a change in circumstances. The PHA defines *a change in circumstances* as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim reexam in accordance with PHA policies.

Examples of circumstances constituting a financial hardship may include the following situations:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits;
- The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or
- Other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions. The notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)].

PHA Policy

The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a hearing.

If the family qualifies for an exemption, the PHA will include the date the hardship exemption will begin and the date it will expire as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the family will receive a deduction for the sum of eligible expenses that exceed five percent of annual income.

The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever is earlier. However, the PHA may, at its discretion, extend the relief for one or more additional 90-day periods while the family's hardship condition continues. PHAs are not limited to a maximum number of 90-day extensions. PHAs must establish written policies regarding the types of circumstances that will allow a family to qualify for a financial hardship and when such deductions may be eligible for additional 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHA Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90 days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption based on circumstances described above. The PHA will require updated verification based on the family's current circumstances. Additional extension(s) may be granted on a case-by-case basis provided the family continues to request extensions prior to the end of each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.

Child Care Expenses Hardship Exemption [24 CFR 5.611(d) and Notice PIH 2023-27]

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue receiving the deduction. If the family demonstrates to the PHA's satisfaction that the family is unable to pay their rent because of the loss of the child care expense deduction, and that the child care expense is still necessary even though the family member is not working, looking for work, or seeking to further their education, the PHA must recalculate the family's adjusted income and continue the child care deduction.

The PHA must develop a policy to define what constitutes a hardship, which includes the family's inability to pay rent. The PHA must obtain third-party verification of the hardship or must document in the file the reason

third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

PHA Policy

For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the child care expense and such loss would impact the family's ability to pay their rent.

Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child care expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.

The family must also demonstrate that the child care expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).

The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

The PHA must promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from hardship exemptions.

If the PHA denies the request, the notice must specifically state the reason for the denial. PHAs must provide families 30 days' notice of any increase in rent.

If the PHA approves the request, the notice must inform the family of when the hardship exemption will begin and expire [24 CFR 5.611(e)(2)]. The notice must also state the requirement for the family to report to the PHA if the circumstances that made the family eligible for relief are no longer applicable and that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption [Notice PIH 2023-27].

SDHC Policy

The PHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.

If the PHA denies the hardship exemption request, the PHA notice will also state that if the family does not agree with the PHA determination, the family may request a grievance hearing.

If the family qualifies for an exemption, the PHA will include all required information listed above as well as information on how to request a 90-day extension based on family circumstances.

If the family qualifies, the hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days.

The PHA may, at its discretion, extend the hardship exemptions for additional 90-day periods based on family circumstances and as stated in PHA policies. PHAs are not limited to a maximum number of 90-day extensions. PHAs must develop policies requiring families to report if the circumstances that made the family eligible for the hardship exemption are no longer applicable.

PHAs must promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. If the PHA denies the request, the notice must specifically state the reason for the denial.

PHAs must notify the family if the hardship exemption is no longer necessary and the exemption will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice must state the termination date and provide 30 days' notice of rent increase, if applicable.

SDHC Policy

The family may request an extension either orally or in writing prior to the end of the hardship exemption period. The PHA will extend relief for an additional 90 days if the family demonstrates to the PHA's satisfaction that the family continues to qualify for the hardship exemption. The PHA will require updated verification based on the family's current circumstances. Additional extension(s) may be granted on a case-by-case basis provided the family continues to request extensions prior to the end each hardship exemption period. Families must report if the circumstances that made the family eligible for the hardship exemption are no longer applicable. At any time, the PHA may terminate the hardship exemption if the PHA determines that the family no longer qualifies for the exemption.

6-III.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)(i)]

The PHA may adopt additional permissive deductions from annual income if they establish a policy in the ACOP. 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 PHA 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].

If the PHA chooses to adopt permissive deductions, the PHA is not eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of those deductions. The PHA must establish a written policy for such deductions.

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

SDHC Policy

The SDHC has opted not to use permissive deductions.

PART IV: CALCULATING RENT

6-IV.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

SDHC Policy

TTP for Path to Success for Elderly/Disabled Families: The family's rent portion (TTP) for elderly/disabled families will be calculated at 28.5% of the adjusted monthly income, based on the tiered rent table in 6-IV.B. The utility allowance will be deducted from the TTP as described below. If the utility allowance is greater than the TTP, the family's rent will be zero and there will be no utility reimbursement payment. There is no Minimum Rent for elderly/disabled families.

TTP for Path to Success for Work Able Families: The family's rent portion for Work Able families will be calculated at the greater of 30% of the adjusted monthly income (TTP), based on the tiered rent table in 6-IV.B., or the SDHC's Minimum Rent as described. The utility allowance will be deducted from the TTP. There will be no utility allowance if the family pays the SDHC's Minimum Rent. There will be no utility reimbursement payment.

The tenant portion will be the higher of the Minimum Rent (as described below) and the calculation based on the tiered rent table.

6-IV.B. TIERED RENT TABLES

The following tables are effective starting January 1, 2020.

Tiered Rent Table Years 8+: One Work-Able Household Minimum Rents				
Annual Income Bands	**0 Bed**	**1 Bed**	**2 Bed**	**3 Bed**
$0 - $4,999	$400	$400	$400	$400
$5,000 - $9,999	$400	$400	$400	$400
$10,000 - $14,999	$400	$400	$400	$400
$15,000 - $19,999	$400	$400	$400	$400
$20,000 - $24,999	$500	$500	$500	$500
$25,000 - $29,999	$625	$625	$625	$625
$30,000 - $34,999	$750	$750	$750	$750
$35,000 - $39,999	$875	$875	$875	$875
$40,000 - $44,999	$1,000	$1,000	$1,000	$1,000
$45,000 - $49,999	$1,125	$1,125	$1,125	$1,125

$50,000 - $54,999	$1,250	$1,250	$1,250	$1,250
$55,000 - $59,999	$1,375	$1,375	$1,375	$1,375
$60,000 - $64,999	$1,500	$1,500	$1,500	$1,500
$65,000 - $69,999	$1,625	$1,625	$1,625	$1,625
$70,000 - $74,999	$1,750	$1,750	$1,750	$1,750
$75,000 - $79,999	$1,875	$1,875	$1,875	$1,875
$80,000 - $84,999	$2,000	$2,000	$2,000	$2,000
$85,000 - $89,999	$2,125	$2,125	$2,125	$2,125
$90,000 - $94,999	$2,250	$2,250	$2,250	$2,250
$95,000 - $99,999	$2,375	$2,375	$2,375	$2,375
$100,000 - $104,999	$2,500	$2,500	$2,500	$2,500
$105,000 - $109,999	$2,625	$2,625	$2,625	$2,625

Tiered Rent Table Years 8+: Two Work-Able Household Minimum Rents				
Annual Income Bands	**0 Bed**	**1 Bed**	**2 Bed**	**3 Bed**
$0 - $4,999	$650	$650	$650	$650
$5,000 - $9,999	$650	$650	$650	$650
$10,000 - $14,999	$650	$650	$650	$650
$15,000 - $19,999	$650	$650	$650	$650
$20,000 - $24,999	$650	$650	$650	$650
$25,000 - $29,999	$650	$650	$650	$650
$30,000 - $34,999	$750	$750	$750	$750
$35,000 - $39,999	$875	$875	$875	$875
$40,000 - $44,999	$1,000	$1,000	$1,000	$1,000
$45,000 - $49,999	$1,125	$1,125	$1,125	$1,125
$50,000 - $54,999	$1,250	$1,250	$1,250	$1,250
$55,000 - $59,999	$1,375	$1,375	$1,375	$1,375
$60,000 - $64,999	$1,500	$1,500	$1,500	$1,500
$65,000 - $69,999	$1,625	$1,625	$1,625	$1,625
$70,000 - $74,999	$1,750	$1,750	$1,750	$1,750
$75,000 - $79,999	$1,875	$1,875	$1,875	$1,875
$80,000 - $84,999	$2,000	$2,000	$2,000	$2,000
$85,000 - $89,999	$2,125	$2,125	$2,125	$2,125
$90,000 - $94,999	$2,250	$2,250	$2,250	$2,250
$95,000 - $99,999	$2,375	$2,375	$2,375	$2,375
$100,000 - $104,999	$2,500	$2,500	$2,500	$2,500
$105,000 - $109,999	$2,625	$2,625	$2,625	$2,625

6-IV.C. MINIMUM RENT AND FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR5.630]

Minimum Rent [24 CFR 5.630]

SDHC Policy

For Path to Success Elderly/Disabled families, the minimum rent is zero.

For Path to Success Work Able families, the minimum rent will be based on the number of Work Able adults in the family. If the tiered table tenant rent calculation results in a lower number than the minimum rent, the minimum rent for Work Able families will prevail. A family's rent cannot be less than the minimum rent (except in the case of Hardship Exemptions granted by SDHC's Hardship Committee, as described in 6-III-B, below).

The minimum rent will be implemented in two phases, as described below:

Minimum Rent for Work Able Families for Reexamination Effective Dates After January 1, 2020	
One Work Able Family Member	**Two or More Work Able Family Members**
$400	$650

Financial Hardships Affecting Minimum Rent [24 CFR 5.630]

Overview

If the PHA establishes a minimum rent greater than zero, the PHA 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 PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

PHA 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.

(2) The family would be evicted because it is unable to pay the minimum rent.

PHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

PHA Policy

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

(5) The family has experienced other circumstances determined by the PHA.

PHA Policy

The PHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

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

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

SDHC Policy

SDHC recognizes that in some circumstances the minimum rent may create a financial hardship for families. All requests for the hardship exemption must be in writing. SDHC will review all relevant circumstances brought to SDHC's attention regarding financial hardship as it applies to the minimum rent. Gross income before exclusions will be considered for purposes of determining eligibility for the hardship exemption. Family must sign a document consenting to participate in required self-sufficiency activities with the Achievement Academy. Criterion for hardships may include but not be limited to:

The family must consist of a single adult head of household with one or more dependents.

The calculated shelter burden must be 45 percent for a Work Able family of monthly income.

Families approved for a hardship will have their rent calculated per the Hardship Rent Table below:

Hardship Rent Table	
Annual Income	**Hardship Rent**
$0 - $2,499	$0
$2,500 - $4,999	$55
$5,000 - $7,499	$150
$7,500 - $9,999	$245

Hardship Request Process

SDHC Policy

All requests for minimum rent hardship exceptions are required to be in writing. SDHC may request documentation as proof of financial hardship. The requests will be reviewed by the Hardship Review Committee and analyzed on a case-by-case basis. The Hardship Review Committee will then make the recommendations to designated Property Management senior staff who will provide the final decision.

SDHC will provide in writing the decision of the minimum rent hardship request. If approved, SDHC will suspend the minimum rent for the family effective the first day of the month after the request is received by SDHC. The approval letter will also contain the length of the term of the exemption. SDHC will monitor the family's compliance with the hardship requirement to participate in Achievement Academy activities. Failure to participate in self-sufficiency activities will result in the loss of the hardship exemption. In deciding whether to approve or deny any hardship exemption, the SDHC has discretion to consider all the circumstances in each case.

If the SDHC denies the family's request for a hardship exemption, the family will be informed of its right to request a hearing in accordance with Chapter 14.

Hardship for Zero Income Families

SDHC Policy

When a family has been granted a Hardship, the rent portion will be set to the Hardship rent outlined in the table above, to be reviewed every six months. The Hardship Exemption cannot exceed 18 months. After 18 months, the rent portion will default to the greater of 30 percent of monthly adjusted income or the minimum rent. Families will be required to sign a document of consent to participate in required self-sufficiency activities and work with the Achievement Academy. Failure to participate in self-sufficiency activities will result in the loss of the hardship exemption.

6-IV.D. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families when the cost of utilities is not included in the rent. When determining a family's rent, the PHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

SDHC Policy

Per SDHC's MTW Plan, utility allowance policies are as follows:

Standardized Utility Allowance

Under SDHC's MTW Plan, the utility allowance is calculated using a simplified utility schedule. SDHC has set two utility schedules. The two schedules will provide each household responsible for tenant-supplied utilities with the average allowance based upon the unit bedroom size. One schedule will be applied for households that have sewer/water included in the utility allowance and one for those that do not have sewer/water included.

Reasonable Accommodation and Individual Relief

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [24 CFR 8 and 100, PH Occ GB, p. 172].

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

See Chapter 2 for policies related to reasonable accommodations.

Further, the PHA may grant requests for relief from charges in excess of the utility allowance on reasonable grounds, such as special needs of the elderly, ill, or residents with disabilities, or special factors not within control of the resident, as the PHA deems appropriate. The family must request the higher allowance and provide the PHA with an explanation about the additional allowance required.

PHAs should develop criteria for granting individual relief, notify residents about the availability of individual relief, and notify participants about the availability of individual relief programs (sometimes referred to as "Medical Baseline discounts") offered by the local utility company [Utility Allowance GB, p. 19; 24 CFR 965.508].

PHA Policy

The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.

The PHA will consider the following criteria as valid reasons for granting individual relief:

The family's consumption was mistakenly portrayed as excessive due to defects in the meter or errors in the meter reading.

The excessive consumption is caused by a characteristic of the unit or owner-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation. The allowance should be adjusted to reflect the higher consumption needs associated with the unit until the situation is remedied. The resident should be granted individual relief until the allowance is adjusted.

The excessive consumption is due to special needs of the family that are beyond their control, such as the need for specialized equipment in the case of a family member who is ill, elderly, or who has a disability.

In determining the amount of the reasonable accommodation or individual relief, the PHA will allow a reasonable measure of additional usage as necessary. To arrive at the amount of additional utility cost of specific equipment, the family may provide information from the manufacturer of the equipment, or the family or PHA may conduct an internet search for an estimate of usage or additional monthly cost.

Information on reasonable accommodation and individual relief for charges in excess of the utility allowance will be provided to all residents at move-in and with any notice of proposed allowances, schedule surcharges, and revisions. The PHA will also provide information on utility relief programs or medical discounts (sometimes referred to as "Medical Baseline discounts") that may be available through local utility providers.

The family must request the higher allowance and provide the PHA with information about the amount of additional allowance required.

At its discretion, the PHA may reevaluate the need for the increased utility allowance as a reasonable accommodation at any regular reexamination.

If the excessive consumption is caused by a characteristic of the unit or PHA-supplied equipment that is beyond the family's control, such as a particularly inefficient refrigerator or inadequate insulation, the individual relief to the resident will cease when the situation is remedied.

Utility Allowance Revisions [24 CFR 965.507]

The PHA must review its schedule of utility allowances each year. Between annual reviews, the PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

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

SDHC Policy

The utility allowance schedule is updated annually and is posted in a conspicuous and accessible location in each development office.

Revised utility allowances will be applied to a family's rent calculations at the first biennial reexamination after the allowance is adopted.

6-IV.E. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. Except for non-public housing over income families, the PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

(1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.

(2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).

(3) Multiply the member maximum subsidy by the number of eligible family members.

(4) Subtract the subsidy calculated in the last step from the flat rent. This is the prorated TTP.

(5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

SDHC Policy

Revised public housing flat rents will be applied to a mixed family's rent calculation at the first reexamination after the revision is adopted.

(6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

6-IV.F. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

SDHC Policy

The SDHC's MTW Plan eliminates flat rents. However, in SDHC's blended properties (LIHTC and public housing), there is a LIHTC maximum rent.

EXHIBIT 6-1: ANNUAL INCOME FULL DEFINITION

24 CFR 5.609

(a) Annual income includes, with respect to the family:

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds $50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total $50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—

(1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (

3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(e) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code;

and income earned by government contributions to, and distributions from, "baby bond" accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) 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);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) 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.

(14) Earned income of dependent fulltime students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that

includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) 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; and

(ii) 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.

EXHIBIT 6-2: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all nonnecessary items of personal property if the combined total value does not exceed $50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

EXHIBIT 6-3: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

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

Covered families. Families 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.

Economic self-sufficiency program. See definition at Sec. 5.603.

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 nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7
VERIFICATION
[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2023-27]

INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH 2018-18 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

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 established by the PHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 960.259, 24 CFR 5.230; and Notice PIH 2023-27]

Consent Forms

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 960.259(a)(1)]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886, this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.

Form HUD-9886 [24 CFR 5.230(b)(1), (b)(2), (c)(4), and (c)(5); Notice PIH 2023-27]

All adult applicants and tenants must sign form HUD-9886, Authorization for Release of Information. All adult family members (and the head and spouse/cohead regardless of age) are required to sign the Form HUD-9886 at admission. Participants, prior to January 1, 2023, signed and submitted Form HUD-9886 at each reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886 be signed only once. On or after January 1, 2024 (regardless of the PHA's HOTMA compliance date), current program participants must sign and submit a new Form HUD-9886 at their next interim or reexamination. This form will only be signed once. Another Form HUD-9886 will not be submitted to the PHA except under the following circumstances:

- When any person 18 years or older becomes a member of the family;
- When a current member of the family turns 18; or
- As required by HUD or the PHA in administrative instructions.

The PHA has the discretion to establish polices around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.

SDHC Policy

Family members turning 18 years of age between reexaminations will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.

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 PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].

The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.

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 PHA must deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the PHA's grievance procedures.

However, this does not apply if the applicant, resident, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance [24 CFR 5.232(c)]. PHAs may not process interim or reexaminations of income without the family's executed consent forms.

SDHC Policy

The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.

In order for a family to revoke their consent, the family must provide written notice to the PHA.

Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify the local HUD office.

7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS 24 CFR 5.609(c)(3) and Notice PIH 2023-27]

PHAs may, but are not required to, determine a family's annual income, including income from assets, prior to the application of any deductions, based on income determinations made within the previous 12-month period, using income determinations from means-tested federal public assistance programs. PHAs are not required to accept or use determinations of income from other federal means-tested forms of assistance. If the PHA adopts a policy to accept this type of verification, the PHA must establish in policy when they will accept Safe Harbor income determinations and from which programs. SDHC will accept Safe Harbor income determinations after a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD. PHAs must also create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs. Means-tested federal public assistance programs include:

- Temporary Assistance for Needy Families (TANF) (42 U.S.C. 601, et seq.);
- Medicaid (42 U.S.C. 1396 et seq.);
- Supplemental Nutrition Assistance Program (SNAP) (42 U.S.C. 2011 et seq.);
- Earned Income Tax Credit (EITC) (26 U.S.C. 32);
- Low-Income Housing Credit (LIHTC) program (26 U.S.C. 42);
- Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC) (42 U.S.C. 1786);
- Supplemental Security Income (SSI) (42 U.S.C. 1381 et seq.);
- Other programs administered by the HUD Secretary;
- Other means-tested forms of federal public assistance for which HUD has established a memorandum of understanding; and
- Other federal benefit determinations made in other forms of means-tested federal public assistance that the Secretary determines to have comparable reliability and announces through the *Federal Register.*

If the PHA elects to use the annual income determination from one of the above-listed forms of means-tested federal public assistance, then they must obtain the income information by means of a third-party verification. The third-party verification must state the family size, must be for the entire family, and must state the amount of the family's annual income. The annual income need not be broken down by family member or income type. Annual income includes income earned from assets, therefore when using Safe Harbor to verify a family's income, PHAs will neither further inquire about a family's net family assets, nor about the income earned from those assets, except with respect to whether or not the family owns assets that exceed the asset limitation in 24 CFR 5.618. The Safe Harbor documentation will be considered acceptable if any of the following dates fall into the 12-month period prior to the receipt of the documentation by the PHA:

- Income determination effective date;
- Program administrator's signature date;
- Family's signature date;
- Report effective date; or
- Other report-specific dates that verify the income determination date.

The only information that PHAs are permitted to use to determine income under this method is the total income determination made by the federal means-tested program administrator. Other federal programs may provide additional information about income inclusions and exclusions in their award letters; however, these determinations and any other information must not be considered by the PHA. PHAs are not permitted to mix and match Safe Harbor income determinations and other income verifications.

If the PHA is unable to obtain Safe Harbor documentation or if the family disputes the other program's income determination, the PHA must calculate the family's annual income using traditional methods as outlined in Notice PIH 2023-27 and this chapter.

If the PHA uses a Safe Harbor determination to determine the family's income, the family is obligated to report changes in income that meet the PHA's reporting requirement and occur after the effective date of the transaction.

The amounts of unreimbursed reasonable attendant care expenses and child-care expenses deducted from a family's annual income, except for when a family is approved for a child-care expense hardship exemption, must still be capped by the amount earned by any family member who is enabled to work as a result of the expense. PHAs are therefore required to obtain third-party verification of the applicable employment income and cap the respective expense deductions accordingly.

SDHC Policy

SDHC will accept Safe Harbor income determinations after a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD.

7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years, the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or other inflationary adjustment factor. Streamlining policies are optional. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources.

When 90 percent or more of a family's unadjusted income is from fixed sources, the PHA may apply the inflationary adjustment factor to the family's fixed-income sources, provided that the family certifies both that 90 percent or more of their unadjusted income is fixed and that their sources of fixed income have not changed from the previous year. Sources of non-fixed income are not required to be adjusted and must not be adjusted by a COLA, but PHAs may choose to adjust sources of non-fixed income based on third-party verification. PHAs have the discretion to either adjust the non-fixed income or carry over the calculation of non-fixed income from the first year to years two and three.

When less than 90 percent of a family's unadjusted income consists of fixed income, PHAs may apply a COLA to each of the family's sources of fixed income. PHAs must determine all other income using standard verification requirements as outlined in Notice PIH 2023-27.

SDHC Policy

SDHC will not accept Safe Harbor income determinations until a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD.

7-I.D. VERIFICATION HIERARCHY [Notice PIH 2023-27]

When the PHA does not use a streamlined determination of income or an income determination from a means-tested federal assistance program, HUD requires the PHA to obtain third-party verification of:

- Reported family annual income;
- The value of net family assets when the net value exceeds $50,000 (as adjusted annually);
- Expenses related to deductions from annual income; and
- Other factors that affect the determination of adjusted income.

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general, HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

HUD developed a hierarchy that described verification documentation from most acceptable to lease acceptable. The PHA must demonstrate efforts to obtain third party verification prior to accepting self-certification except instances when self-certification is explicitly allowed.

In order of priority, the hierarchy is:

- Highest: Level 6: Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Highest: Level 5: Up-front Income Verification (UIV) using a non-EIV system
- High: Level 4:
    - Written third-party verification from the source, also known as "tenant-provided verification"
    - Or EIV plus self-certification
- Medium: Level 3: Written third-party verification form
- Medium: Level 2: Oral third-party verification
- Low: Level 1: Self-certification (not third-party verification)

Each of the verification methods is discussed in subsequent sections below.

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.

7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits for a number of individuals. PHAs may use UIV sources before or during a family reexamination.

UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the PHA's informal review/hearing processes.

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during annual and streamlined reexaminations of family composition and income in accordance with 24 CFR 5.236 and Notice PIH 2023-27.

HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.

The income validation tool (IVT) in EIV provides projections of discrepant income for wages, unemployment compensation, and SSA benefits pursuant to HUD's data sharing agreements with other departments.

The following policies apply to the use of HUD's EIV system.

EIV Income and IVT Reports

PHAs are required to obtain an EIV Income and IVT report for each family any time the PHA conducts a reexamination. However, PHAs are not required to use the EIV Income and IVT reports:

- At reexamination if the PHA used Safe Harbor verification from another means-test federal assistance program to determine the family's income; or
- During any interim reexaminations.

The EIV Income and IVT Reports are also not available for program applicants at admission.

When required to use the EIV Income Report, in order for the report to be considered current, the PHA must pull the report within 120 days of the effective date of the reexamination.

The EIV Income Report may be used to verify and calculate income at reexamination if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information in EIV.

SDHC Policy

Except for when Safe Harbor verification from another means-tested federal assistance program is used to determine the family's annual income, the PHA will obtain EIV Income and IVT reports for all reexaminations for all families on a monthly basis. Reports will be generated as part of the regular reexamination process. The PHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the reexamination.

Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.

Income and IVT reports will be retained in resident files with the applicable annual documents or interim reexamination documents (if applicable) for the duration of tenancy.

When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

Income and IVT reports may be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income and IVT reports will be retained in resident files with the applicable biennial or interim reexamination documents.

When the SDHC determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

New Hires Report [Notice PIH 2023-27]

The New Hires Report identifies participant families who have new employment within the last six months. The report is updated monthly.

PHAs must review this information at reexamination except when the PHA uses Safe Harbor verification from another means-tested federal assistance program to determine the family's income.

PHAs that do not require families to undergo interim reexaminations for earned income increases after an interim decrease are not required to review this report between a family's reexamination. If the PHA requires an interim for increases in earned income after an interim decrease, then the PHA must review the report quarterly after the family's interim decrease.

SDHC Policy

In accordance with PHA policies in Chapter 9, the PHA does not process interim reexaminations for families who have increases in earned income. Except for instances in which the PHA uses

Safe Harbor income determinations to determine a family's annual income, the PHA will only review the New Hires Report at reexamination.

No Income Reported by HHS or SSA Report

This report is a tool for PHAs to identify participants who passed the SSA identity test, but no income information was reported by either HHS or SSA records. This scenario does not mean that the tenant does not have any income. PHAs obtain written, third-party verification of any income reported by the tenant. The PHA must identify in its policies and procedures when this report will be pulled [Notice PIH 2023-27].

SDHC Policy

The PHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.

The PHA will re-verify the status of tenants identified on the report quarterly. Based on the information provided by the family and in EIV, the PHA may require that family members provide verifications or sign release forms in order to obtain additional verification.

When the PHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification Report

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to HUD data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2023-27].

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

SDHC Policy

The PHA will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. The PHA will attempt to resolve discrepancies by obtaining appropriate documentation from the tenant. When the PHA determines that discrepancies exist as a result of PHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]

The Deceased Tenant Report identifies residents that have been reported by the SSA as deceased. The PHA is required to review the report at least quarterly.

SDHC Policy

The PHA will review the Deceased Tenants Report on a monthly basis.

When the Deceased Tenants Report identifies an individual as being deceased, PHAs must immediately send a letter to the head of household or emergency contact person (if the head of household is deceased and there is no other adult household member) to confirm the death of the listed household member. The PHA must conduct a home visit to determine if anyone is residing in the unit.

PHAs are required to list the move-out date for the family as of the date on which the family or designee of the deceased tenant's estate returned the keys and signed a vacate notice; the date the public housing lease was terminated; or the date the PHA legally regained possession of the unit, whichever occurs first.

When the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for continued occupancy. The PHA may not designate the live-in aide as the new head of household or change the relation code on the Form HUD-50058.

Other EIV Reports [Notice PIH 2023-27]

The PHA is required to review the Multiple Subsidy Report at least quarterly and the Failed EIV Pre-Screening and Failed Verification (Failed SSA Identity Test) reports at least monthly.

Upfront Income Verification Using Non-HUD Systems

HUD encourages PHAs to utilize other upfront verification sources such as the Work Number and web-based state benefits systems.

SDHC Policy

The PHA will inform all applicants and residents of its use of the following UIV resources:

CalSAWS Welfare Case Information

The Work Number

7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27]

HUD identifies two types of Level 4 verification: written-third party verification from the source and EIV + self-certification.

EIV + Self-Certification

EIV may be used as written third-party verification and may be used to calculate income if the family agrees with the information in EIV and self-certifies that the amount is accurate and representative of current income. The practice is know as EIV + self certification. When calculating income using this method, the PHA may use its discretion to determine which method of calculation is reasonable: the last four quarters combines or an average of any number of quarters. The family must be provided with the information from EIV.

SDHC Policy

At reexamination, if the PHA us unable to use a determination of income from a Safe Harbor means-tested federal assistance program and if there are no reported changes to an income source, the PHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV.

The PHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The PHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the PHA will use written third-party verification from the source as outlined below.

The PHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.

Written Third-Party Verification from the Source

Written, third-party verification from the source is also known as "tenant-provided verification." In order to qualify as written-third party verification from the source, the documents must be original or authentic and (generally) dated within 120 days of the date received by the PHA. For fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation. Documents may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs when calculating income using third-party verification from the source. For new income sources or when two pay stubs are not available, the PHA should determine income based on the information from a traditional written, third-party verification form or the best available information.

When the family disputes EIV-reported employment income, the PHA uses written third-party verification.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

SDHC Policy

In general, the PHA will use third-party verification from the source in the following circumstances:

- At reexamination when EIV + self-certification is not used;
- For all new admissions; and
- For all interim reexaminations.

The PHA will not use this method if the PHA is able to use an income determination from a Safe Harbor means-tested federal assistance program or if the PHA uses EIV + self-certification as outlined above.

In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by the PHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible. If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.

When verification of assets held by a banking or financial institution is required, the PHA will obtain one statement that reflects the current balance of the account.

When pay stubs are used, the PHA will require the family to provide the two most current, consecutive pay stubs. At the PHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), the PHA may request additional paystubs or a payroll record.

7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]

This type of verification is a form developed by the PHA and used uniformly for all families when needed to collect information from a third-party source. This is known as "traditional third-party verification." PHAs send a PHA-developed form directly to the third-party source by mail, fax, or email and the source completes the form by hand (in writing or typeset).

The PHA may use this method when higher forms are unavailable or are rejected by the PHA or when the family is unable to provide acceptable verification. The PHA may skip this level of verification and may instead substitute oral third-party verification before moving to self-certification.

SDHC Policy

Typically, the PHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.

However, on a case-by-case basis, the PHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.

7-I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs must document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

The PHA may skip this level of verification if they attempted written third-party verification via a form and the source did not respond and move directly to self-certification.

SDHC Policy

If written third-party verification forms are not returned within 10 business days, the PHA will accept self- certification from the family without attempting to obtain oral third-party verification.

However, if the PHA chooses to obtain oral third-party verification, the PHA will document in the file the date and time of the telephone call or visit, the name of the person contacted and the telephone number, as well as the information confirmed.

When Third-Party Verification is Not Required [Notice PIH 2023-27]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

SDHC Policy

If the family cannot provide original documents, the PHA 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 [VG, p. 18].

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.

7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]

Non-third-party verification consists of a signed statement of reported income and/or expenses. This verification method should be used as a last resort when the PHA has not been successful in obtain information via all other required verification techniques.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded;
- Net family assets total $50,000 or less and the PHA has adopted a policy to accept self-certification;
- The family declares that they do not have any present ownership in any real property;
- A family states that they have non-recurring income that will not be repeated in the coming year; and/or
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income.

When the PHA was required to obtain third-party verification but instead relies on self-certification, the family's file must be documented to explain why third-party verification was not available.

HUD does not require that a self-certification be notarized; however, HUD recommends including language on any self-certification to ensure the certifier understands the consequences of knowingly providing false information.

SDHC 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 PHA.

The PHA 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 PHA and must be signed by the family member whose information or status is being verified.

All self-certifications will include the following language:

"I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Anyone who knowingly submits a false claim or knowingly makes a false statement is subject to criminal and/or civil penalties, including confinement for up to five years, fines, and civil and administrative penalties (18 U.S.C. 287, 1001, 1010, 1012; 31 U.S.C. 3279, 3802)."

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

SDHC Policy

The SDHC 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 Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) Current U.S. passport Current government employer identification card with picture	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

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

If none of these documents can be provided and at the SDHC'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 SDHC and be signed by the family member whose information or status is being verified.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the SDHC has reason to doubt the identity of a person representing themselves to be a tenant or a member of a tenant family.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2023-27]

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

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

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

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.

SDHC Policy

The PHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.

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

SDHC Policy

The PHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of program admission, an otherwise eligible family may be admitted and must provide documentation of the child's SSN within 90 days. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control.

SDHC Policy

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

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

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

SDHC Policy

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

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

SDHC Policy

The SDHC will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

SDHC Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the SDHC will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-II.C. 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.

SDHC Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the SDHC 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.

7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants 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.

SDHC 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

SDHC Policy

Certification by the head of household is normally sufficient verification. If the SDHC has reasonable doubts about a marital relationship, the SDHC will require the family to document the marriage with a marriage certificate or other documentation to verify that the 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

SDHC Policy

Certification by the head of household is normally sufficient verification. If the SDHC has reasonable doubts about a divorce or separation, the SDHC will require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.
If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

SDHC 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), if the SDHC so requests.

Foster Children and Foster Adults

SDHC Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

SDHC Policy

The PHA 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 cohead, or

The family claims a child-care deduction to enable a family member to further their education.

In order to qualify for the deduction, each adult in the household who is a full-time student (18 to 23 years of age, not including the head of household or spouse), must provide proof (from the school) that verifies his/her student status which includes a complete transcript (with the current term).

A school transcript may be required by the SDHC in the following instances:

- Intake process
- Reexamination
- Move
- As required by SDHC

7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' Web site at **www.os.dhhs.gov**.
The PHA may make the following inquiries, provided it makes them 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
- Inquiry about whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiry about whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

SDHC Policy

For family members claiming disability who receive disability payments from the SSA, the SDHC will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, the SDHC will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the SDHC will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from **www.ssa.gov**. Once the family receives the benefit verification letter, they will be required to provide the letter to the SDHC.

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 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

SDHC Policy

For family members claiming disability who do not receive SSI or other disability payments 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.

7-II.G. 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. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and PHA 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 [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 PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

SDHC Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the SDHC receives information indicating that an individual's declaration may not be accurate.

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 noncitizens 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. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant that determined their placement on the waiting list.

SDHC Policy

Live, Work, or Hired to Work in the City of San Diego

- Copy of Lease Agreement and three most recent rent receipts, canceled checks or money order receipts.
- A California driver's license or California ID in conjunction with copies of recent bills sent to the address.
- Copy of paycheck stubs that indicate the location of the place of employment or third- party verification that indicates the place of employment.
- Copy of employment offer from an employer, indicating the place of employment.

Homeless

An applicant is considered homeless if the applicant lacks a fixed, regular and adequate nighttime residence and can provide verification that their nighttime residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations; or
- An institution that provides temporary residence for individuals intended to be institutionalized (not incarcerated); or
- A public or private place not designed for, or ordinarily used as, a regular place for human beings.

Homeless applicants who meet the criteria described above must provide certification of homeless status from a public or private facility that provides shelter for such households, or from the local police department, or any social service agency that provides services for homeless people.

Applicants who are homeless due to residing in a transitional housing program must provide a letter from the transitional program's sponsoring agency documenting the applicant's participation and readiness to maintain an independent tenancy.

Family with Children

Family that includes one or more children under the age of 18

Elderly Family

Family of one or more persons where the head of house, spouse, or cohead is age 62 or

older

Disabled Family

Family of one or more persons where the head of house, spouse, or cohead meets the HUD definition of disabled

Veteran

Applicant or resident with a DD-214 discharge document

Applicant or resident with a letter from Veteran's Administration verifying the branch of service, date, place, and type of discharge

Family of a Veteran

One of the above forms of verification must be provided for the veteran and familial status verified as follows:

- Marriage certificate or license
- Copy of marriage certificate/license and a copy of the veteran's death certificate if the veteran is deceased and the spouse has not remarried

Active Military

Current military paycheck stub or current military ID

PART III: VERIFYING INCOME AND ASSETS

Chapter 6 of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

SDHC Policy

The following policies do not apply when the SDHC uses a Safe Harbor income determination from a means-tested federal assistance program for reexaminations.

SDHC will not accept Safe Harbor income determinations until a formal information sharing and verification process can be established with other means-tested federal public assistance programs as identified and accepted by HUD.

7-III.A. EARNED INCOME

Tips

SDHC Policy

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.

Wages

SDHC Policy

When the SDHC requires third-party verification of wages, for wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

SDHC Policy

Business owners and self-employed persons will be required to provide:

Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.).

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.

For self-employed individuals who claim they do not to file tax returns, the PHA will obtain a completed copy of IRS Form 4506-T to verify that no return has been filed.

For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), the PHA will provide a format for the individual to declare their income and expenses. The PHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as the Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.

The PHA 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 PHA 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 PHA 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 PHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

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

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

Social Security/SSI Benefits [Notice PIH 2018-24]

Verification requirements for Social Security (SS) and Supplemental Security Income (SSI) benefits differ for applicants and participants.

For applicants, since EIV does not contain SS or SSI benefit information, the PHA must ask applicants to provide a copy of their current SS and/or SSI benefit letter (dated within the last 60 calendar days) for each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the applicant request a benefit verification letter from SSA's website at **www.ssa.gov** or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the applicant, make a photocopy of the document for the file, and return the original to the family.

For participants, the PHA must obtain information through the HUD EIV system and confirm with the participants that the current listed benefit amount is correct.

- If the participant agrees with the amount reported in EIV, the PHA must use the EIV-reported gross benefit amount to calculate annual income from Social Security. PHAs are required to use the EIV-reported SS and SSI benefit amounts when calculating income unless the tenant disputes the EIV-reported amount. For example, an SSA benefit letter may list the monthly benefit amount as $450.80 and EIV displays the amount as $450.00. The PHA must use the EIV-reported amount unless the participant disputes the amount.
- If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in EIV, the PHA must request a current SSA benefit verification letter (dated within the last 60 calendar days) from each family member that receives SS and/or SSI benefits. If the family is unable to provide the document or documents, the PHA should help the participant request a benefit verification letter from SSA's website at **www.ssa.gov** or ask the family to request one by calling SSA at 1-800-772-1213. The PHA must obtain the original benefit letter from the participant, make a photocopy of the document for the file, and return the original to the family.
- Photocopies of social security checks or bank statements are not acceptable forms of verification for SS/SSI benefits.

7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]

Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but which they do not receive. For example, a family's child support or alimony income must be based on payments received, not the amounts to which the family is entitled by court or agency orders. A copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family.

SDHC Policy

The methods the SDHC will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

Copies of the receipts and/or payment stubs for the 12 months prior to SDHC request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

Note: Families are not required to undertake independent enforcement action.

7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. PHAs may accept a self-certification from the family stating that the income will not be repeated in the coming year.

SDHC Policy

The PHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the PHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.

7-III.F. ASSETS AND INCOME FROM ASSETS

Net Family Assets [24 CFR 5.603]

At admission and reexam, for families with net assets totaling $50,000 or less (adjusted annually), the PHA may, but is not required to, accept the family's self-certification that the family's assets do not exceed $50,000 without taking any additional steps to verify the accuracy of the declaration. The declaration must include the amount of income the family expects to receive from each asset; income from assets must be included in the family's income. This includes declaring income from checking and savings accounts which, although excluded from the calculation of net family assets (because the combined value of non-necessary personal property does not exceed $50,000), may generate asset income. PHAs must clarify during the self-certification process which assets are included/excluded from net family assets.

For PHAs that choose to accept self-certification, the PHA is required to obtain third-party verification of all assets, regardless of the amount, at least once every three years.

PHAs who choose not to accept self-certifications of assets must verify all families' assets on an annual basis.

When net family assets have a total value over $50,000, the PHA may not rely on the family's self-certification. Third-party verification of assets is required when net family assets exceed $50,000, adjusted annually by HUD.

When verification of assets is required, PHAs are required to obtain a minimum of one statement that reflects the current balance of banking/financial accounts.

SDHC Policy

For Reexaminations effective 12/31/2023 and prior:

Assets Totaling $5,000 or Less

The total family assets under $5,000 will be considered nominal and will not require third party verification. Nominal assets will be verified by review of documents using the current balance.

Assets that Exceed $5,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

For Reexaminations effective 1/1/2024 and after:

Assets that Exceed $100,000

If total family net assets exceed $100,000 and/or the family has a present ownership in with a legal right to reside in or sell, real property that is suitable for residence for the family is not eligible for the assistance.

Assets that Exceed $50,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

Assets Totaling $50,000 or Less

The total family assets under $50,000 will be considered nominal and will not require third party verification. Nominal assets will be verified by review of documents using the current balance.

Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]

The PHA must determine whether a family has present ownership in real property that is suitable for occupancy for purposes of determining whether the family is compliant with the asset limitation described in Chapter 3. At admission and reexam, the PHA may accept a self-certification from the family that the family does not have any present ownership in any real property that is suitable for occupancy. If the family declares they have present ownership in real property, the PHA must obtain third-party verification.

SDHC Policy

Both at admission and reexam, the PHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.

If the family declares they have a present ownership in real property, the PHA will obtain third-party verification of the following factors: whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and whether the property is suitable for occupancy by the family as a residence. However, in cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.

7-III.G. 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. HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28]. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

SDHC Policy

Current assets, including assets disposed of for less than fair market value in the preceding two years.

For Reexaminations effective 1/1/2025 or upon implementation of HOTMA:

Assets Totaling $50,000 or Less

The total family assets under $50,000 will be considered nominal and will be verified by self-certification, however, must be verified by third party verification once every three years.

Assets that Exceed $50,000

SDHC will attempt third party verification of all family assets and will utilize the current balance for savings and checking accounts.

7-III.H. NET INCOME FROM RENTAL PROPERTY

SDHC 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 PHA 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.

7-III.I. FEDERAL TAX REFUNDS OR REFUNDABLE TAX CREDITS [Notice PIH 2023-27]

PHAs are not required to verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are equal to or below $50,000 (adjusted annually for inflation), even in years when full verification of assets is required or if the PHA does not accept self-certification of assets. PHAs must

verify the amount of the family's federal tax refund or refundable tax credit(s) if the family's net assets are greater than $50,000.

7-III.J. RETIREMENT ACCOUNTS

SDHC Policy

The PHA 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.

7-III.K. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is not required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA is required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student).

SDHC Policy

The SDHC will not verify, count, or report income amounts specifically identified by HUD as 100% excluded from the income calculation process, as well as earnings for full time students ages 18 to 23, which are 100% excluded.

Examples of 100% excluded income are earnings from minors, amounts paid by a State agency to the family for the care of a family member with a developmental disability, and food stamps.

The SDHC may request additional documentation if necessary to document the income source.

The SDHC will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.L. ZERO INCOME REVIEWS [Notice PIH 2023-27]

A *zero income review* is an assessment, sometimes periodic, performed by the PHA of the income of a family who claims that they do not receive income from any source, including from assets. During such reviews, it is common for PHAs to request that families complete and sign a worksheet explaining how they pay for the household's expenses. HUD does not require PHAs to conduct periodic zero income reviews. In calculating annual income, PHAs must not assign monetary value to nonmonetary in-kind donations from a food bank or similar organization received by the family [24 CFR 5.609(b)(24)(vi)]. PHAs that perform zero income reviews must update local discretionary policies, procedures, and forms. Families who begin receiving income which does not trigger an interim reexamination should no longer be considered zero income even though the family's income is not reflected on the Form HUD-50058.

SDHC Policy

The PHA will check UIV sources and/or may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by families claiming to have zero annual income.

The PHA will also require that each family member who claims zero income status complete a zero-income form. If any sources of income are identified on the form, the PHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.

The PHA will only conduct interims in accordance with PHA policy in Chapter 9.

7-III.M. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

The regulations under HOTMA distinguish between two categories of student financial assistance paid to both full-time and part-time students. Any assistance to students under section 479B of the Higher Education Act of 1965 (Tile IV of the HEA) must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Any other grant-in-aid, scholarship, or other assistance amounts an individual receives for the actual covered costs charged by the institute of higher education not otherwise excluded by the federally mandated income exclusions are excluded [24 CFR 5.609(b)(9)(ii)].

SDHC Policy

The PHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, unless the student's only source of educational assistance is assistance under Title IV of the HEA, the PHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

7-III.N. ITEMS TO BE VERIFIED

For Reexaminations effective 1/1/2025 or upon implementation of HOTMA:

Assets that Exceed $100,000

If total family net assets exceed $100,000 and/or the family has a present ownership interest in, with a legal right to reside in or sell, real property that is suitable for residence, then the family is not eligible for the rental assistance program.

- At subsequent interim and biennial reexaminations:
  - SDHC establishes a total non-enforcement policy for all families regarding the $100,000 asset limitation, which means that they will not initiate termination or eviction proceedings for a family for non-compliance with the $100,000 asset limitation.
  - SDHC establishes a limited-enforcement policy if the family has a present ownership, in with a legal right to reside in or sell, real property that is suitable for residence for the family is not eligible for the rental assistance program. Families who report owning a home suitable for residence will have 6 months to come into compliance, if they do not do so, termination processes will begin.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA 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 PHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or cohead of the family and is not a foster child
- 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 the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 for a discussion of the deduction. The PHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

SDHC Policy

The SDHC will not verify, count, or report income amounts specifically identified by HUD as 100% excluded from the income calculation process, as well as earnings for full time students ages 18 to 23, which are 100% excluded.

Examples of 100% excluded income are earnings from minors, amounts paid by a State agency to the family for the care of a family member with a developmental disability, and food stamps.

The SDHC may request additional documentation if necessary to document the income source.

The SDHC will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-IV.B. HEALTH AND MEDICAL CARE 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.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed health and medical care expenses. The PHA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

SDHC Policy

Per SDHC's MTW Plan, medical and disability assistance expense deductions have been combined.

Amount of Expense

SDHC Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified health and medical care 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 health and medical care expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities. The PHA 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 (7-IV.A) of this plan.

SDHC Policy

Per SDHC's MTW Plan, the medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities.

Qualified Expenses

To be eligible for the health and medical care expense deduction, the costs must qualify as medical expenses. See Chapter 6 for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the health and medical care expense deduction, the costs must not be reimbursed by another source.

SDHC Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

SDHC Policy

When anticipated costs are related to ongoing payment of medical bills incurred in past years, the PHA 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

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

The PHA must comply with the Health Insurance Portability and Accountability Act (HIPAA) (Pub. L. 104-191, 110 Stat. 1936) and the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896) when requesting documentation to determine unreimbursed auxiliary apparatus or attendance care costs. The PHA may not request documentation beyond what is sufficient to determine anticipated reasonable attendant care and auxiliary apparatus costs. Before placing bills and documentation in the tenant file, the PHA must redact all personally identifiable information [FR Notice 2/14/23].

Amount of Expense

Attendant Care

SDHC Policy

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

When income is projected at new admission or interim, if third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Before placing bills and documentation in the tenant file, the PHA will redact all personally identifiable information.

If the PHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the PHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the PHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will PHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].

Auxiliary Apparatus

SDHC Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as 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.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in Chapter 6.).
- The expense is not reimbursed from another source (as described in Chapter 6.).

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 PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

SDHC Policy

The PHA will request 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.). This documentation may be provided by the family.

If third-party 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.

SDHC Policy

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.

7-IV.D. CHILD-CARE EXPENSES

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

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

7-IV.E. VERIFICATION OF CHILD CARE EXPENSES

Written verification from the person who receives the payment for childcare is required.

Verification must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

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 PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

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

SDHC Policy

The family and the care provider 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 PHA 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.

SDHC Policy

Information to be Gathered

The PHA 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 PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to the PHA any reports provided to the other agency.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The PHA will request third-party documentation to verify that the person permitted to further their education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

The PHA will seek third-party verification 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. The documentation may be provided by the family.

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.

SDHC Policy

The PHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6.

The PHA 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 PHA will verify that the child-care provider is not an assisted family member. 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.

SDHC Policy

The actual costs the family incurs will be compared with the PHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Exhibit 7-1: Summary of Documentation Requirements for Noncitizens [HCV GB, pp. 5-9 and 5-10)

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

Elderly Noncitizens

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

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
• Form I-94 Arrival-Departure Record annotated with one of the following:
  • "Admitted as a Refugee Pursuant to Section 207"
  • "Section 208" or "Asylum"
  • "Section 243(h)" or "Deportation stayed by Attorney General"
  • "Paroled Pursuant to Section 221 (d)(5) of the USCIS"
	• Form I-94 Arrival-Departure Record with no annotation accompanied by:
	  • A final court decision granting asylum (but only if no appeal is taken);
	  • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
	  • A court decision granting withholding of deportation; or
	  • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

• Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".	Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

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

Chapter 8
LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

Public housing leases are the contractual basis of the legal relationship between the PHA and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD regulations.

HUD regulations require the PHA to inspect each dwelling unit prior to move-in, at move-out, and annually during the period of occupancy. In addition, the PHA may conduct additional inspections in accordance with PHA policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the PHA's policies pertaining to lease execution, lease modification, and payments under the lease.

Part II: Inspections. This part describes the PHA's policies for inspecting dwelling units and notifying families of HUD REAC NSPIRE inspections.

PART I: LEASING

8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the PHA may not renew the lease if the family has violated the community service requirement and if the family is determined to be over income for 24 consecutive months [24 CFR 966.4(a)(2)].

PHAs have smoke-free policies as of July 30, 2018. The policy is attached as Exhibit 8-1.

Part I of this chapter contains regulatory information on leasing, where applicable, as well as the PHA's leasing policies.

For policies on lease requirements for families whose incomes have exceeded the over-income limit for 24 consecutive months, see 13-III.C., Over-Income Families.

8-I.B. LEASE ORIENTATION

SDHC Policy

After final eligibility has been approved but prior to lease execution, a SDHC representative will conduct a lease orientation with approved families. The head of household is required to attend.

Orientation Agenda

SDHC Policy

When families attend the lease orientation, they will be provided with:

A copy of the lease

A copy of the SDHC's grievance procedure

A copy of the house rules

A copy of the SDHC's schedule of maintenance charges

A copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

A copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

A copy of the form HUD-5380, VAWA Notice of Occupancy Rights

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

A copy of the SDHC's smoke free policy

A notice that includes the procedures for requesting relief and the SDHC's criteria for granting requests for relief for excess utility surcharges

The HUD pamphlet on lead-based paint entitled, "Protect Your Family from Lead in Your Home."

Topics to be discussed and explained to all families include:

Applicable deposits and all other charges

Review and explanation of lease provisions

Unit maintenance requests and work orders

The SDHC's interim reporting requirements

Review and explanation of occupancy forms

Community service requirements

VAWA protections

Smoke-free policies

8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the PHA, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one PHA unit to another.

The lease must state the composition of the household as approved by the PHA (family members and any PHA-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

SDHC Policy

The head of household, spouse or cohead, and all other adult members of the household will be required to sign the public housing lease prior to admission (a live-in aid is considered a member of the household – not the family – and is excluded from signing the lease). An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the SDHC will retain a copy in the resident's file.

Any adult (other than spouse or cohead, live-in aide or foster adult) who is approved by the SDHC to be added to the lease, must reside in the unit for a minimum of one year before being eligible to become the head of household. Exceptions will be considered on a case-by-case basis.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to SDHC assistance. The live-in aide is only approved to live in the unit while serving as the care attendant for the family member who requires the care.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the PHA [24 CFR 966.4(a)(3)].

Modifications to the Lease Form

The PHA may modify its lease from time to time. However, the PHA must give residents at least thirty (30) days advance notice of the proposed changes and an opportunity to comment on the changes. The PHA must also consider any comments before formally adopting a new lease [24 CFR 966.3].

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(l)(2)(iii)(E)].

SDHC Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30-day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

SDHC Policy

When the SDHC proposes to modify or revise schedules of special charges or rules and regulations, the SDHC 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.

Other Modifications

SDHC Policy

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and SDHC will be required to initial and date the change.

If a new household member is approved by the SDHC to reside in the unit, the person's name and birth date will be added to the lease. The head of household and SDHC will be required to initial and date the change. If the new member of the household is an adult, they will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the PHA, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the PHA. The PHA may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit or used for tenant services or activities.

SDHC Policy

Residents must pay a security deposit to the SDHC at the time of admission. The amount of the security deposit will be established based on the bedroom size of the unit, as follows:

Bedroom Size	Security Deposit
1 BR	$500
2 BR	$600
3 BR	$700

The SDHC may permit installment payments of security deposits with supervisory approval. One-half of the required deposit must be paid before occupancy. The remainder must be paid within 60 days.

The SDHC will hold the security deposit for the period the family occupies the unit. The SDHC will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 21 calendar days of move-out, the SDHC will refund to the resident the amount of the security deposit, less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The SDHC will provide the resident with a written list of any charges against the security deposit within 21 calendar days of the move-out inspection. If the resident disagrees with the amount charged, the SDHC will provide a meeting to discuss the charges.

If the resident transfers to another unit, the SDHC will not transfer the security deposit to the new unit. The tenant will be required to pay a new security deposit for the new unit. The deposit from the prior unit will be refunded as described above, as with any other move-out.

Emergency transfers, transfers for reasonable accommodation, and transfers in accordance with VAWA requests may require more latitude. Supervisors may review and allow additional time to pay the security deposit in such circumstances on a case-by-case basis.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the PHA in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the PHA must give written notice stating any change in the amount of tenant rent and when the change is effective.

SDHC Policy

The tenant rent is due and payable at the SDHC-designated location on the first of every month. If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's tenant rent changes, the SDHC will notify the family of the new amount and the effective date by sending a "Notice of Intended Action" which will become an attachment to the lease. California State Law requires a 60-day notice of rent increase if rent will increase by 10 percent or more. Otherwise, the SDHC's notice of rent increase will be effective the first of the month following a 30-day notice.

Late Fees and Nonpayment [24 CFR 966.4(b)(3); Notice PIH 2021-29]

At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

SDHC Policy

If the family fails to pay their rent by the fifth day of the month, and the SDHC has not agreed to accept payment at a later date, a 30-day Notice to Vacate, followed by a 3-day Notice to Vacate (during nationwide emergency orders) or a 14-day Notice to Vacate (upon expiration of nationwide emergency orders) will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

The SDHC is in a HUD-due process state. Therefore, the SDHC's grievance procedures are not applicable for termination for nonpayment of rent.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of $50.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the SDHC may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of $25.00 will be charged to the family. The fee will be due and payable 14 days after billing.

Maintenance and Damage Charges

If the PHA charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

SDHC Policy

When applicable, families will be charged for maintenance and/or damages according to the SDHC's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the SDHC may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

PART II: INSPECTIONS

8-II.A. OVERVIEW

The PHA is obligated to maintain safe and habitable dwelling units and to make necessary repairs to dwelling units [24 CFR 966.4(e)]. The National Standards for the Inspection Physical Inspection of Real Estate (NSPIRE) are the standard under which HUD housing units, including those under the public housing program, are inspected. NSPIRE ensures that residents of public housing live in safe, habitable dwellings, and the items and components located inside, outside, and within the units are functionally adequate, operable, and free of health and safety hazards [24 CFR 5.703(a)]. Further, units must comply with state and local code requirements (such as fire, mechanical, plumbing, carbon monoxide, property maintenance, and residential code) [24 CFR 5.703(f)] as well as with all requirements related to the evaluation and control of lead-based paint hazards [24 CFR 5.703(e)(2)].

Under NSPIRE, public housing units are subject to three types of inspections: annual self-inspections, NSPIRE Inspections (which are used to assess and score the PHA under the Public Housing Assessment System (PHAS)), and NSPIRE Plus Inspections (which are triggered by poor property conditions). HUD regulations also require the PHA to inspect each public housing unit prior to move-in and at move-out. The PHA may require additional inspections, in accordance with PHA policy. This part contains the PHA's policies governing inspections by the PHA and HUD, notification of unit entry, and inspection repair timelines. This section discusses inspections conducted by the PHA (including annual self-inspections) and inspections conducted by HUD REAC.

8-II.B. PHA-CONDUCTED INSPECTIONS

The PHA is obligated to maintain dwelling units and the project in safe and habitable condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Types of PHA-Conducted Inspections

Move-In Inspections **[24 CFR 966.4(i)]**

The lease must require the PHA and the family to inspect the dwelling unit prior to occupancy to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, must be provided to the tenant and retained in the resident file.

SDHC Policy

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

Move-Out Inspections **[24 CFR 966.4(i)]**

The PHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if they wish, unless the tenant vacates without notice to the PHA. The PHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

SDHC Policy

When applicable, the SDHC will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 21 business days of conducting the move-out inspection.

Self-Inspections **[24 CFR 5.707]**

Annually all PHAs are required to self-inspect their properties, including all units, to ensure units are maintained in accordance with NSPIRE standards in 24 CFR 5.703. As part of the self-inspection process, PHAs must ensure that deficiencies previously cited and repaired as a result of an NSPIRE inspection have not subsequently failed.

The PHA must maintain the results of self-inspections for three years and must provide the results to HUD upon request.

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed and within an acceptable time frame.

SDHC Policy

Supervisory quality control inspections will be conducted in accordance with the SDHC's maintenance plan.

Special Inspections

SDHC Policy

SDHC staff may conduct a special inspection for any of the following reasons:

Housekeeping

Unit condition

Suspected lease violation

Preventive maintenance

Routine maintenance

There is reasonable cause to believe an emergency exists

Other Inspections

SDHC Policy

Building exteriors, grounds, common areas and systems will be inspected according to the SDHC's maintenance plan.

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

The PHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the PHA entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

SDHC Policy

The SDHC will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual self-inspections, the family will receive at least 48 hours written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the SDHC to enter the unit.

Except for emergencies, management will not enter the dwelling unit to perform inspections where a pet resides unless accompanied for the entire duration of the inspection by the pet owner or responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

Emergency Entries [24 CFR 966.4(j)(2)]

The PHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the PHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of PHA-Conducted Inspections

SDHC Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the SDHC at least 24 hours prior to the scheduled inspection. The SDHC will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The SDHC may request verification of such cause.

Noncompliance is considered a serious violation of the lease and is subject to lease termination.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

SDHC Policy

While the resident is required to be present for move-in inspections, the resident is not required to be present for other types of inspections. The resident may attend the inspection if they wish.

If no one is at home, the inspector will enter the unit, conduct the inspection and leave a copy of the inspection report in the unit.

Repairs

Correction timeframes differ depending on whether repairs are considered emergency or non-emergency repairs.

Emergency Repairs **[24 CFR 966.4(h)]**

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the PHA of the damage, and the PHA must make repairs within a reasonable time frame. Under NSPIRE, the PHA must correct all Life-Threatening and Severe deficiencies within 24 hours.

If the damage was caused by a household member or guest, the PHA must charge the family for the reasonable cost of repairs. The PHA may also take lease enforcement action against the family.

If the PHA cannot make repairs quickly, the PHA must offer the family standard alternative accommodations. If the PHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

SDHC Policy

When conditions in the unit are hazardous to life, health, or safety, the SDHC will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health, or safety include, but are not limited to, the following:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury Obstacles that prevent safe entrance or exit from the unit Absence of a functioning toilet in the unit Inoperable smoke and carbon monoxide detectors

Non-emergency Repairs

SDHC Policy

The SDHC will correct deficiencies resulting in a non-emergency work order identified during a SDHC-conducted inspection within 15 business days of the inspection date. If the SDHC is unable to make repairs within that period due to circumstances beyond the SDHC's control (e.g., required parts or services are not available, weather conditions, etc.) the SDHC will notify the family of an estimated date of completion.

The family must allow the SDHC access to the unit to make repairs.

Except for emergencies, management will not enter the dwelling unit to perform repairs where a pet resides unless accompanied for the entire duration of the repair by the pet owner or responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

Resident-Caused Damages

SDHC Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.F., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

SDHC Policy

The SDHC will conduct a housekeeping inspection for each unit annually. This inspection is combined with the SDHC's annual NSPIRE self-inspection.

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the SDHC will provide proper notice of a lease violation.

A reinspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector and/or carbon monoxide alarm. Only one warning will be given. A second incidence will result in lease termination.

8-II.C. NSPIRE INSPECTIONS [24 CFR 5.705(c); Notice PIH 2023-16]

During an NSPIRE inspection, REAC inspectors will inspect areas and associated items or components that are listed in the regulations as affirmative requirements and those included within the NSPIRE standards. For most properties, the frequency of NSPIRE inspections is determined by the date of the prior inspection and the score received.

Notice to Residents [Notice PIH 2023-16]

The PHA must provide notice to all residents as described in 24 CFR 5.711(h) and the lease.

SDHC Policy

The SDHC will provide all residents with at least seven days' notice of an NSPIRE inspection. Notice will be provided through multiple communication methods, including by posted notice on each resident's door and through email where applicable. All materials, notices, and communications to families regarding the inspection will be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations.

24-Hour Corrections [24 CFR 5.711(c); Notice PIH 2023-16]

At the conclusion of the NSPIRE inspection, or at the end of the day on multi-day inspections, HUD provides the PHA with a list of Life-Threatening and Severe deficiencies. The PHA must correct all Life-Threatening and Severe deficiencies within 24 hours, with certification of correction submitted to HUD within two business days of receipt of notification of the deficiency.

If permanent repair will take longer than the allowable time in the relevant standard for the deficiency, the PHA must provide HUD with a timeframe for completing permanent repairs and submit evidence that the repair is in progress. Any extension to the allowable time for rectifying the deficiency is allowed only upon HUD approval for good cause.

SDHC Policy

The SDHC will correct all Life-Threatening and Severe deficiencies within 24 hours. Correcting the deficiency means the SDHC will resolve or sufficiently address the deficiency in a manner that it no longer poses a severe health or safety risk to residents, or the hazard is blocked until permanent repairs can be completed. A correction could include controlling or blocking access to the hazard by performing a temporary relocation of the resident while repairs are made.

While the SDHC will complete all repairs expeditiously, if a permanent repair is not possible within 24 hours, the SDHC will correct the deficiency by performing an interim repair to remove the health and safety hazard. If the correction is temporary or professional services or materials are unavailable within 24 hours, the SDHC will provide a target date for permanent correction. Such interim repairs will be fully completed within a reasonable timeframe approved by HUD.

The family must allow the SDHC access to the unit to make repairs.

Non-emergency Repairs

Under NSPIRE, the SDHC must correct Moderate deficiencies within 30 days and Low deficiencies within 60 days, or as otherwise provided in the NSPIRE standards. Repairs should be permanent fixes, unless otherwise approved by HUD in writing. HUD may also prescribe timelines in Corrective Action Plans as defined in 24 CFR 902.3 or Corrective Action Agreements as described in 24 CFR 902.105.

SDHC Policy

If the SDHC is unable to make repairs within the periods identified in the NSPIRE standards due to circumstances beyond the SDHC's control (e.g., required parts or services are not available, weather conditions, etc.), the SDHC will provide HUD with a timeframe for completing permanent repairs and obtain HUD approval. The SDHC will also notify the family of an estimated date of completion.

The family must allow the SDHC access to the unit to make repairs.

Except for emergencies, management will not enter the dwelling unit to perform repairs where a pet resides unless accompanied or restrained for the entire duration of the repair by the pet owner or responsible person designated by the pet owner in accordance with the pet policies in Section 10-II.D.

EXHIBIT 8-1: SMOKE-FREE POLICY

In accordance with HUD regulations, the SDHC has adopted these smoke-free policies.

Due to the increased risk of fire, increased maintenance costs, and the known health effects of secondhand smoke, smoking is prohibited in all living units and interior areas, including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures. Smoking is also prohibited in outdoor areas within 25 feet from public housing and administrative office buildings.

This policy applies to all employees, residents, household members, guests, and service persons. Residents are responsible for ensuring that household members and guests comply with this rule.

The term "smoking" means any inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, pipe, or other prohibited tobacco product in any manner or any form. Prohibited tobacco products include water pipes or hookahs.

Violation of the smoke-free policy constitutes a violation of the terms of the public housing lease. Consequences of lease violations include termination of tenancy.

SDHC POLICIES

Designated Smoking Areas (DSA)

The SDHC has not designated any smoking areas on its premises. Residents are prohibited from discarding smoking products on the property.

Electronic Nicotine Delivery Systems (ENDS)

Electronic nicotine delivery systems (ENDS) include e-cigarettes, nicotine inhalers, and vaping devices.

Use of ENDS is not permitted in public housing units, common areas, or in outdoor areas anywhere on SDHC property.

Enforcement

The SDHC must enforce smoke-free policies when a resident violates this policy. When enforcing the lease, the SDHC will provide due process and allow residents to exercise their right to an informal settlement and formal hearing. The SDHC will not evict a resident for a single incident of smoking in violation of this policy. As such, the SDHC will implement a graduated enforcement framework that includes escalating warnings. Prior to pursuing eviction for violation of smoke-free policies, the SDHC will take specific, progressive monitoring and enforcement actions, while at the same time educating tenants and providing smoking cessation information. The lease will identify the actions that constitute a policy violation, quantify the number of documented, verified violations that warrant enforcement action, state any disciplinary actions that will be taken for persistent non-responsiveness or repeated noncompliance, and state how many instances of noncompliance will constitute a violation. Tenancy termination and eviction will be pursued only as a last resort. The SDHC may terminate tenancy at any time for violations of the lease and failure to otherwise fulfill household obligations if resident behavior disturbs other residents' peaceful enjoyment and is not conducive to maintaining the property in a decent, safe, and sanitary condition.

Violation of the smoke-free policy may rise to the level of other good cause for termination of tenancy.

Reasonable Accommodation

While addiction to nicotine or smoking is not a disability, the SDHC will provide reasonable accommodation to persons with disabilities who smoke that are in compliance with the requirements of this smoke-free policy.

Chapter 9
REEXAMINATIONS
[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

With the exception of non-public housing over income families, the PHA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. PHAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the PHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the PHA to offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the PHA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every three years. This part also contains the PHA's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and PHA policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Part V: Non-Interim Reexamination Transactions. This part describes transactions that do not entail changes to the family's adjusted income.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME-BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the PHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. With the exception of over-income families, who must have their income reviewed at 12 and 24 months, for flat rent families, the PHA must conduct a reexamination of family composition at least annually and must conduct a reexamination of family income at least once every three years [24 CFR 960.257(a)(2)]. For any non-public housing over income families, the PHA may not conduct an annual reexamination of family income. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the PHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

The PHA is required to obtain all the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the PHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

Unlike when performing an interim reexamination or at intake, at annual reexamination, the PHA must determine the income of the family for the previous 12-month period, except where the PHA uses a streamlined income determination. Income from assets, however, is always anticipated, irrespective of the income examination type [Notice PIH 2023-27]. PHAs also have the option of using a "Safe Harbor" income verification from another federal means-tested program to verify gross annual income. Chapter 7 contains the PHA's policies related to streamlined income determinations and the use of safe harbor income verifications.

This part contains the PHA's policies for conducting annual reexaminations.

9-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12-month period [24 CFR 960.257(a)(1)].

SDHC Policy

Generally, the PHA will schedule reexaminations to coincide with the family's anniversary date. The PHA will begin the reexamination process approximately 120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the PHA will perform a new reexamination, and the anniversary date will be changed.

The PHA may also schedule an reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The PHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The PHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

SDHC Policy

Families generally are required to participate in an reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the PHA to request a reasonable accommodation (See Chapter 2).

Notification of reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the PHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without PHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

9-I.C. CONDUCTING BIENNIAL/ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

SDHC Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a PHA-designated reexamination form as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview or any stated deadline must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

9-I.D. CALCULATING ANNUAL INCOME AT ANNUAL REEXAMINATION [24 CFR 5.609(c)(2) and Notice PIH 2023-27]

SDHC Policy

The SDHC will follow these regulations for the biennial reexaminations.

The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination as indicated in Chapter 7 of this policy. The PHA may also use Safe Harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at reexamination as outlined in Chapter 7 of this policy.

Except when using streamlined or safe harbor income determinations, in determining the income of the family for the previous 12-month period, any change of income since the family's last reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies and 24 CFR 5.657(c) or 960.257(b) must be considered.

Income from assets is always anticipated, irrespective of the income examination type.

A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The PHA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. See Chapter 6 for PHA policies on when the COLA is applied and Chapter 7 on streamlined determination of income for inflationary adjustments.

Notice PIH 2023-27 lists the following steps to calculate both earned and unearned income at reexamination.

Step 1: The PHA determines annual income for the previous 12-month period by reviewing the following information:

- The EIV Income Report pulled within 120 days of the effective date of the reexamination;
- The income reported on the most recent HUD-50058; and
- The amount of prior-year income reported by the family on the PHA's reexamination paperwork.

Step 2: The PHA takes into consideration any interim reexamination of family income completed since the last reexamination.

- If there was an interim reexamination performed, the PHA must use the annual income from the interim to determine the family's total annual income, provided there are no additional changes.
- If the PHA did not perform an interim or there have been changes since the last reexamination, the PHA moves to Step 3.

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, the PHA must use current income. The family will be required to report their income for the prior year and whether there have been permanent changes.

If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income. For example, the PHA may use the following documentation:

- EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
- Current written third-party verification from the source verifying prior-year income that is dated within 120 days of receipt by the PHA, for example:
    - Year-end statements
    - Paycheck with year-to-date amounts
    - Tax forms (Form 1040, W2, 1099, etc.)

If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, the PHA must follow the verification hierarchy (described in Chapter 7) to document and verify income. Exhibit 9-1 provides detailed examples of how the PHA calculates income from different sources at reexamination using the above method.

SDHC Policy

When income is calculated using a streamlined income determination or Safe Harbor determination from a means-tested federal public assistance program in accordance with PHA policies in Chapter 7, the above is not applicable. However, where the family disagrees with the PHA or other agency's determination of income or the PHA has other reason to use third-party verification in these circumstances, then the above will apply.

9-I.E. OTHER CONSIDERATIONS

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PHA may use the results of the reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

SDHC Policy

Each household member aged 18 and over will be required to execute a consent form for a criminal background check as part of the biennial reexamination process.

Additionally, HUD recommends that at reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

SDHC Policy

At the biennial reexamination, the PHA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The SDHC will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13.)

Compliance with Community Service

For families who include nonexempt individuals, the PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

SDHC Policy

The community service compliance will be determined at biennial reexamination.

See Chapter 11 for the PHA's policies governing compliance with the community service requirement.

9-I.E. EFFECTIVE DATES

As part of the reexamination process, the PHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

SDHC Policy

In general, an *increase* in the tenant rent that results from an reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the PHA chooses to schedule an reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an reexamination will take effect on the family's anniversary date.

If the PHA chooses to schedule an l reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA.

If the family causes a delay in processing the reexamination, d*ecreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the PHA by the date specified, and this delay prevents the PHA from completing the reexamination as scheduled.

PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS

[24 CFR 960.253(f)]

9-II.A. OVERVIEW

HUD requires that the PHA offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually and must conduct a reexamination of family income at least once every three years [24 CFR 960.253(f)]. The PHA is only required to provide the amount of income-based rent the family might pay in those years that the PHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)]. However, these regulations are not applicable to over-income families. Once an over-income determination is made, the PHA must conduct an interim reexamination at 12 and 24 months, as applicable, to determine if the family remains over-income [Notice PIH 2023-03].

As it does for families that pay income-based rent, the PHA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the PHA's policies for conducting reexaminations of families who choose to pay flat rents.

SDHC Policy

Per the SDHC's MTW Plan, the SDHC has eliminated flat rents.

PART III: INTERIM REEXAMINATIONS [24 CFR 960.257(b); 24 CFR 966.4; and Notice PIH 2023-27]

Family circumstances may change during the period between reexaminations. HUD and PHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes.

A family may request an interim determination of family income or composition because of any changes since the last determination. The PHA must conduct any interim reexamination within a reasonable period of time after the family request or when the PHA becomes aware of a change in the family's adjusted income that must be processed in accordance with HUD regulations.

What qualifies as a "reasonable time" may vary based on the amount of time it takes to verify information, but the PHA generally should conduct the interim reexamination not longer than 30 days after the PHA becomes aware of changes in income.

Notice PIH 2023-27 changes the conditions under which interim reexaminations must be conducted, codifies when interim reexaminations should be processed and made effective, and requires related changes for reexaminations and streamlined income determinations. When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

Reporting

PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens [Notice PIH 2023-27]. The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition [24 CFR 960.257(b)(5)].

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

SDHC Policy

All program participants must report all changes in household composition to SDHC between biennial recertifications in writing within ten (10) days of the change. This includes additions due to birth, adoption and court-awarded custody. For all other additions to the household, the family must obtain SDHC and landlord approval in writing. The landlord's approval is required, in writing, to add any adult member(s) prior to initiating adult family composition change(s). Any additions not reported within the ten (10) days will be considered unauthorized household members.

If a new family member is added, any income of the new family member must be included. SDHC will conduct an interim examination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. In addition, criminal activity and the U.S. citizenship and/or eligible immigrant status of additional family members must be declared and verified.

Effective 1/1/202 5or upon implementation of HOTMA, all public housing program participants must report all changes in income that will result in an increase of 10% or more in annual adjusted income within 10 days of the change.

Timely reporting related to an increase in rent:

When a family reports a change in family income or composition that will result in an increase in tenant rent, the family must be provided a minimum of 30 calendar days' notice of the rent increase. The rent increase will be effective on the first of the month following the end of the 30-day notice.

Timely reporting related to a decrease in rent:

Families that report changes in family income or composition within 10 calendar days from the effective date of the change that results in a decrease in tenant rent, the decrease will be effective the first day of the month after the date of the actual change leading to the interim reexamination of family income.

Untimely reporting related to an increase in rent:

Families that do not report changes in family income or composition within 10 calendar days from the effective date of the change, that will result in an increase to tenant rent, will have the rent increase implemented retroactively to the first of the month following the date of the change leading to the interim reexamination.

Untimely reporting related to a decrease in rent:

When a family does not report a change in a timely manner that will result in a decrease in tenant rent, SDHC will implement the decrease no later than the first of the month following completion of the reexamination.

However, SDHC may make a determination that the late report was due to circumstances outside of the family's control and that the decrease may be implemented retroactively.

When the determination is made that the late report was outside of the family's control, then a retroactive decrease may be applied beginning on the later of the first of the month following the date of the actual decrease in income or the effective date of the most recent admission, interim, or annual income examination. A rent adjustment cannot be retroactive to a date prior to the last income examination.

In case of any rent adjustment, the family and landlord will be provided with an updated rent portion letter.

New Family Members <u>Not</u> Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 966.4(a)(1)(v)].

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The PHA may adopt reasonable policies concerning residence by a foster child or a live-in aide and defining the circumstances in which PHA consent will be given or denied. Under such policies, the factors considered by the PHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The PHA's obligation to make reasonable accommodation for persons with disabilities.

SDHC Policy

Families must request PHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by the PHA. Exceptions will be made on a case-by-case basis.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

The family must promptly notify the PHA if any household member (including a live-in aide, foster child, or foster adult) no longer lives in the unit. The PHA must process an interim for all decreases in adjusted income when a family member permanently moves out of the unit.

SDHC Policy

If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

The PHA will process an interim if the family's adjusted income will decrease as a result of a family member permanently moving out of the unit.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations for changes in income or expenses may be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination [24 CFR 5.609(c)(1)]. Policies for projecting income are found in Chapter 6.

Increases in Income

For certifications effective 1/1/2025 or upon implementation of HOTMA:

Public housing resident are not required to report increases in income or assets between regular recertifications.

Exceptions:

"Zero Income" households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

For certifications effective 1/1/2025 or upon implementation of HOTMA:

Public housing program participants should report increases in income that are estimated to increase the annual adjusted income by 10% or more.

• SDHC will not conduct an interim reexamination if a family reports an increase in income within three months of their next reexamination effective date.

• SDHC will not include earned income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last reexamination.

Exceptions:

"Zero Income" households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

SDHC Policy

Elderly/disabled program participants are not required to report increases in income between biennial recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Work-Able program participants are not required to report increases in income between recertifications.

Exceptions:

Zero Income households must report any increase of income within ten (10) days of the increase for the purpose of an interim adjustment in their share of the rent.

Changes in full-time student status from full-time enrollment status to part-time or less must be reported within 10 days of the change in status.

SDHC establishes timeframes and processing procedures for gathering complete and accurate information for the recertification. Participants who report other increases of income outside of the established recertification process will be notified no changes will be made to their share of the rent.

Interim Decreases [24 CFR 960.257(b)(2) and Notice PIH 2023-27]

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The PHA must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non- compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

Decreases in Income

For certifications effective 12/31/2023 and prior:

Public housing program participants who lose a source of income or who have a reduction of income that will last 90 days or more, may be eligible for an interim recertification at any time to reduce their portion of the rent, including a review of their medical deductions if a hardship occurs. If the decrease is reported timely and it is determined that a reduction of rent is warranted, the decrease will be effective the first day of the month after the date of the actual change leading to the interim reexamination of family income.

Exceptions:

Decreases in public assistance income that is the result of a finding of fraud.

For certifications effective 1/1/2024 and after:

If SDHC becomes aware that a public housing program participant's annual adjusted income has increased by an estimated 10% or more of annual adjusted income; and the family has had a decrease of

income interim processed during the certification period; and this increase has not occurred in the last three months of the certification period, an increased income interim will be conducted.

SDHC Policy

Elderly/disabled participants who lose a source of income or have a reduction of income that will last 90 days or more may be eligible for an interim certification at any time to reduce their portion of the rent, including a review of their medical deductions. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after the last verification is received.

Exceptions:

The family's income will not be reduced for decreases in public assistance income that is the result of a finding of fraud.

Work-Able program participants may report a decrease in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions and if the loss of income is anticipated to last more than 90 days. If it is determined that a reduction of rent is warranted, the reduced rent will begin the first of the month after receipt of all verifications of decrease and any replacement income.

For work-able households, interim adjustments will be limited as follows:

Work-able households may only receive an income decrease interim reducing the rent portion once in a twelve (12) month period.

No reduction based upon loss of job will be processed until SDHC receives documentation of eligibility or ineligibility for unemployment benefits.

Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.

In calculating the reduction, all household income, including previously unreported income, and replacement income will be counted to determine if there is an actual decrease in income since the last completed certification.

The household's loss or reduction of income must be expected to last more than 90 days.

No reduction in tenant rent portion will be made if the decrease in the household's rent portion is less than 21%.

The loss of income must be through no fault of the family. A decrease to the rent portion will not be processed if the family voluntarily terminates an income source.

Note: When an individual family member reports a loss of income, replacement income is any income the family receives. For example, if the family reports the loss of the welfare grant because a family member started a job, then the income from their job is considered replacement income. A decrease in the share of the rent will only occur if the replacement income is less than the amount of income that was lost. The family is eligible for a decrease under the requirements of the interim policy.

Interim Hardship Policy

To be considered for a hardship exemption the participant household must demonstrate that the household is experiencing a financial hardship due to an unexpected or unprecedented economic burden on the family.

After an interim has been denied for a reduction in rent, a family may submit a written request for an interim hardship exemption to the interim rent reduction policy.

A household must meet the following two requirements in order to receive a hardship exemption:

1. The participant household must provide proof the household is unable to continue to pay the current rent share because of a financial hardship, including:
    a. A death has occurred in the family which eliminates a prior source of income; or
    b. Other circumstances determined to warrant an exemption by SDHC.
2. The qualifying financial hardship must be long-term (a minimum of three months).
    a. Until the request for a hardship exemption is reviewed and approved by SDHC, the participating household is expected to continue to pay their portion of rent as previously determined by the SDHC.

The family is required to abide by all other requirements of the program and failure to do so is grounds for termination.

If approved, the interim adjustment to the rent portion will be processed effective the first of the month following the hardship approval.

Interim Increases [24 CFR 960.257(b)(3) and Notice PIH 2023-27]

Increases Less than 10 Percent

PHAs must not process interim reexaminations for income increases that result in less than a 10 percent increase in annual adjusted income.

Increases 10 Percent or Greater

PHAs must conduct an interim reexamination of family income when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10 percent or more in adjusted income, with the following exceptions:

- PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle; and
- PHAs may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next reexamination effective date.

When the family previously received an interim reexamination for a decrease to adjusted income during the same reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

SDHC Policy

When a family reports an increase in their earned income between reexaminations, the PHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last reexamination.

The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.

The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 15.

Concurrent Increases in Earned and Unearned Income [Notice PIH 2023-27]

When the family reports an increase in both earned and unearned income at the same time, the PHA must look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed. The PHA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations. For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, the PHA may not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the PHA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required.

Cumulative Increases[Notice PIH 2023-27]

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10-percent increase threshold, at which point the PHA must conduct an interim reexamination in accordance with PHA policy.

Public Housing Over-Income Families [24 CFR 960.507(c); Notice PIH 2020-3; and Notice PIH 2023-27]

Regardless of changes in adjusted income, in some circumstances the PHA is required to conduct an interim reexamination to determine whether a family's income continues to exceed the public housing over-income limit. PHAs are required to conduct income examinations of public housing families who have been determined to exceed the over-income limit at specific intervals. When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period. This continued evaluation of the family's over-income status requires the PHA to notify any family that exceeds the over-income limit that they remain over the income limit, even if the family is An interim income reexamination to determine if a public housing family remains over-income does not reset the family's normal reexamination date paying the flat rent [24 CFR 960.253].

Family Reporting

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition [24 CFR 960.257(b)(5)].

PHA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or the PHA may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim reexamination [Notice PIH 2023-27].

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income. For example, if the family is reporting a decrease in adjusted income, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed [Notice PIH 2023-27].

SDHC Policy

The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing. If the family provides oral notice, the PHA may also require the family to submit the changes in writing.

Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination.

If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination.

If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, fax, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.

9-III.D. EFFECTIVE DATES

Changes Reported Timely [24 CFR 960.257(b)(6) and Notice PIH 2023-27]

If the family reports a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first month after the date of the actual change leading to the interim reexamination of family income. This means the decrease will be applied retroactively.

Changes Not Reported Timely [24 CFR 960.257(b)(6)(ii) and (iii) and Notice PIH 2023-27]

If the family failed to report a change in family income or composition timely in accordance with PHA policies:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim reexamination of family income.
- For rent decreases, the PHA must implement the change no later than the first rent period following completion of the interim reexamination.

However, the PHA may choose to adopt a policy that would make the effective date of the rent decrease retroactive to the first of the month following completion of the reexamination. PHAs may choose to establish conditions or requirements for when such a retroactive application would apply. PHAs that choose to adopt such policies must ensure the earliest date that the retroactive decrease is applied is the later of:

- The first of the month following the date of the change that led to the interim reexamination; or
- The first of the month following the most recent previous income examination.

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

SDHC Policy

In general, when the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination.

However, the PHA will apply the results of the interim reexamination retroactively where a family's ability to report a change in income promptly may have been hampered due to extenuating circumstances such as a natural disaster or disruptions to PHA management operations. The PHA will decide to apply decreases retroactively on a case-by-case basis.

When the PHA applies the results of interim decreases retroactively, the PHA will clearly communicate the effect of the retroactive adjustment to the family and may enter into a repayment agreement in accordance with PHA policies.

PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the PHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-IV.B. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the PHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the PHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the PHA's schedule of Utility Allowances for families in the PHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the PHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the PHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the PHA's grievance procedure [24 CFR 966.4(c)(4)].

SDHC Policy

The notice to the family will include the Total Tenant Payment.

9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

PART V: NON-INTERIM REEXAMINATION TRANSACTIONS [Notice PIH 2023-27]

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations but which HUD still requires the PHA to report via Form HUD-50058. These are known as *non-interim reexamination transactions*. In these cases, PHAs will submit a separate, new action code on Form HUD-50058. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the child care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family's first annual or interim reexamination, whichever is sooner, after January 1, 2024);
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult);
- Ending a family's EID or excluding 50 percent (decreased from 100 percent) of a family member's increase in employment income at the start of the second 12-month EID period.
- Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule;
- Adding/updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).

PHAs must make all other changes to assets, income, and deductions at the next annual or interim reexamination of income, whichever is sooner.

EXHIBIT 9-1: CALCULATING INCOME AT ANNUAL REEXAMINATION

SDHC Policy

When the PHA has adopted but is unable to utilize Safe Harbor means-tested federal assistance program documents described in 7-I.B, or streamlined income determinations described in 7-I.C, the PHA will utilize the following methodology in calculating income at annual reexamination.

Example 1: Calculating Annual Income at Reexamination Using EIV

Staff are processing the 3/1/2024 annual reexamination for Ruby Myers and her minor daughter, Georgia. No interim reexaminations have been processed, and Ruby has not reported any changes to annual income to the PHA since the 3/1/2023 annual reexamination. The SSA-published 2024 COLA is 7 percent.	
Last reexamination – 3/1/2023 Annual Reexamination	
Ruby:	Georgia:
Wages: $30,000	SSI: $10,980 ($915 monthly)

The EIV report pulled on 12/15/2023

Ruby:	Georgia:
Wages Total: $33,651	SSI Total: $10,980
Quarter 3 of 2023: $8,859 (City Public School)	2023 benefit $915 monthly
Quarter 2 of 2023: $8,616 (City Public School)	
Quarter 1 of 2023: $8,823 (City Public School)	
Quarter 4 of 2022: $7,353 (City Public School)	

<table>
<tr><td colspan="2">Income Reported on Reexamination Application</td></tr>
<tr><td>Ruby:

Wages at City Public School: $32,000 (switched jobs but no permanent change to amount)</td><td>Georgia:

SSI benefits: $10,980 (no changes)</td></tr>
<tr><td>Calculating Ruby's wages:

Step 1: Determine prior annual income from EIV (i.e., Q4 2022 through Q3 of 2023: $33,651).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).

Step 3: Ruby certifies that the $33,651 of wages in EIV is accurate and reflects her current annual income, so the PHA will use $33,651 for annual wages for the 3/1/2024 annual reexamination given there have been no additional changes to annual income.</td><td>Calculating Georgia's SSI benefit:

Step 1: Determine the prior annual income from EIV (i.e., $915 x 12 months: $10,980).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination (in this case, there have been no interim reexaminations processed since the last annual reexamination).

Step 3: Ruby certifies the SSI income in EIV is accurate and reflects Georgia's current annual income. The PHA must adjust the prior-year income (2023 SSI benefit) by the 7- percent COLA and will use this amount to calculate annual SSI income for the 3/1/2024 annual reexamination:

COLA: $64.05 ($915 x 0.07)

New gross SSI benefit: $11,748.60 ($979.05 x 12 months)</td></tr>
<tr><td colspan="2">If Ruby did not agree with the annual wages reported in EIV, the PHA/MFH Owner would be required to verify her current income in accordance with HUD's verification hierarchy.</td></tr>
<tr><td colspan="2">Summary of Annual Income (as reported on the HUD-50058)</td></tr>
<tr><td>Ruby (Head of Household):

Other Wage: $33,651

Myers Family Total Annual Income: $45,399</td><td>Georgia (Other Youth Under 18):

SSI: $11,748</td></tr>
</table>

Example 2: Calculating Annual Income at Annual Reexamination Using EIV:

Family Disagrees with EIV

Staff are processing Paul Hewson's 5/1/2024 annual reexamination. Since the last annual reexamination, Paul reported a decrease in annual income that exceeded 10 percent. Last year, Paul reported a decrease in earned income because he transferred from a full-time job at Sasha's Sweets to a part-time job at Viking Bakery. Following HUD's EIV verification hierarchy, staff confirmed Paul was no longer employed at Sasha's Sweets and decreased his anticipated annual income from $28,000 to $7,500 resulting from his new part-time employment at Viking Bakery; an interim reexamination was processed effective 7/1/2023. After the 7/1/2023 interim, Paul worked briefly at two different jobs, but he says he is no longer working and is not planning to work.
5/1/2023 Annual Reexamination
Wages: $28,000

The EIV report pulled on 1/15/2024

Wages Total: $18,271

Quarter 3 of 2023: $2,500 (Viking Bakery)

Quarter 3 of 2023: $796 (Sweet Tooth Candy Bar)

Quarter 2 of 2023: $1,300 (Sasha's Sweets)

Quarter 2 of 2023: $584 (Larry's Concessions)

Quarter 2 of 2023: $2,401 (Viking Bakery)

Quarter 1 of 2023: $6,500 (Sasha's Sweets)

Quarter 4 of 2022: $600 (Sasha's Sweets)

SS/SSI: No history of benefits

Income Reported on Reexamination Application
Wages: $0 (permanent change; no longer receiving) Social Security: $14,400 ($1,200 monthly) Paul certified on the PHA's annual reexamination paperwork that he does not agree with the annual wages of $18,271 reported in EIV and it is not reflective of his current anticipated annual income. He reported he is currently unemployed, and provided a copy of an award letter from the Social Security Administration to document that he will begin receiving a monthly disability benefit of $1,200 effective 3/1/2024.
Calculating Wages and SS Benefit
Step 1: Determine prior annual income taking into consideration the 8/1/2023 interim reexamination (i.e., EIV wages reflected Q4 2022 through Q3 2023: $18,271) Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there was a 7/1/2023 interim that reduced wages to $7,500. Step 3: Obtain documentation to verify current income and confirm Paul is no longer employed at Viking Bakery or The Sweet Tooth Candy Bar (the employers reported in the most recent quarter of EIV). This step is necessary, because Paul did not agree with the EIV income report or income reported on the last interim reexamination. Paul reported that he is no longer working at all. Process the annual reexamination effective 5/1/2024 using annual SS income of $14,400 and $0 wages.
Summary of Annual Income (as reported on the HUD-50058)
Paul (Head of Household): $14,400 (SS) Hewson Family Total Annual Income: $14,400

Example 3: Calculating Annual Income at Annual Reexamination

Staff are processing the 11/1/2024 annual reexamination for Samantha and Fergus Pool, head of household and spouse. On 2/14/2024 Samantha reported her monthly child support payment was reduced from $200 to $100 per month, but an interim reexamination was not processed because the reduction in child support income for Samantha's daughter, Hailey, did not result in a decrease of 10 percent or more in annual adjusted income, and the PHA did not establish a lower threshold. Samantha did not report any additional changes to the PHA.

Last reexamination – 11/1/2023 Annual Reexamination

Samantha:	Fergus:
Business income: $28,000	Wages: $8,250
VA disability pension: $12,000	Other non-wage income: $3,000 (Go Fund Me online fundraiser)
Child support: $2,400	

The EIV report pulled on 9/16/2024

Samantha:	Fergus:
Wages Total: $0 (no wage data reported since Q1 2023)	Wages Total: $8,600
	Quarter 1 of 2024: $2,100 (Ian's Fish 'n' Chips)
	Quarter 1 of 2024: $500 (Claire's Healthcare Supplies)
	Quarter 4 of 2023: $1,000 (Claire's Healthcare Supplies)
	Quarter 3 of 2023: $1,800 (The Onion Garden Shop)
	Quarter 2 of 2023: $3,200 (Ivar's Fish Haus)

Current Family Circumstances: Income Reported on Reexamination Application

Samantha and Fergus reported how much income was earned/received in the previous 12-month period and noted permanent changes, where applicable, for each source of their income on PHA's annual reexamination form. However, no information was reported by the family concerning other non-wage income. Fergus reported only wages and his current employment at Ian's Fish 'n' Chips for the annual reexamination. The family supplied the supporting documentation noted below to the PHA for the 11/1/2024 annual reexamination.

Samantha:	Fergus:
Business income: $28,750 (last year); has decreased to $18,000 (permanent change)	Wages: $6,000
VA disability benefit: $12,000 (last year); has increased to $12,300 (permanent change)	
Child support: $2,400 (last year); has decreased to $1,200 (permanent change)	

Calculating Samantha's Net Business Income

Step 1: Determine prior annual net business income (i.e., $28,000 on last HUD–50058.

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: Adjust to reflect current net business income. Samantha reported on the annual reexamination application that business income permanently decreased to $18,000. The PHA must obtain supporting documentation from Samantha that demonstrates current net business income. Samantha provided documentation that supported the current annual net business income is $18,000. Process the annual reexamination effective 11/1/2024 using annual net business income determined in Step 3.

Calculating Samantha's VA Pension Income

Step 1: Determine prior annual VA pension income (i.e., $12,000 supported by a VA award letter Samantha supplied that documents the prior year monthly VA pension was $1,000).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The PHA needs to adjust to reflect current VA pension income. Samantha supplies a VA award letter showing a monthly pension of $1,025, or $12,300 annually. Process the annual reexamination effective 11/1/2024 using annual VA pension income determined in Step 3 ($12,300 in this example).

Calculating Samantha's Child Support Income

Step 1: Determine prior annual child support income (i.e., $2,400 on the last HUD–50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination. The family reported a decrease from $200 to $100 monthly, but the change was not processed because it did not meet the threshold.

Step 3: The family reported changes, so the PHA must adjust to reflect current child support income. In this example, the family submitted a child support history report from the local child support office that documents regular $100 monthly child supports payments beginning 3/1/2024 through the current month. Process the annual reexamination effective 11/1/2024 using current annual child support income determined in Step 3 ($1,200 in this example).

Calculating Fergus' Wages

Step 1: Determine prior annual income from wages in EIV (i.e., Q2 2023 through Q1 of 2024: $8,600).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: There is a discrepancy between what the family reported and EIV, so the PHA must verify and adjust to reflect current annual income from wages. Fergus reported $6,000 in annual income from wages on the annual reexamination from a single employer, Ian's Fish 'n' Chips. The PHA projected annual income of $7,800 based on the two paystubs for this employer, and EIV shows $8,600 earned in the most recent four quarters in EIV. To complete Step 3, the PHA must do the following:

- Resolve the discrepancy between EIV wages, the $6,000 annual income Fergus reported, and the $7,800 projected based on the paystubs he provided, and
- Verify he is no longer employed at Claire's Healthcare Supplies in accordance with HUD's verification hierarchy and local policies.

The PHA determined that Fergus reported his net vs. gross annual income from wages, which he corrected on the annual reexamination form to reflect his current gross annual income of $9,000. The PHA verified Fergus was no longer employed at Claire's Healthcare Supplies and obtained two additional paystubs. Based on four current and consecutive paystubs, Fergus is now projected to earn $9,360 annually. Process the annual reexamination effective 11/1/2024 using income from wages determined in Step 3 ($9,360 in this example).

<table>
<tr><td colspan="2">Calculating Fergus' Other Non-Wage Income

Step 1: Determine prior annual income from other non-wage income (i.e., $3,000 on the last HUD– 50058).

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination. In this case, there have been no interim reexaminations processed since the last annual reexamination.

Step 3: The family did not report any non-wage income on the annual reexamination form, but it was included on the last HUD–50058. The PHA must verify and adjust to reflect current non-wage income. The PHA must verify no income was received through a "Go Fund Me" online fundraiser so that it may be excluded. Fergus provided a self-certification that he hasn't solicited funds online and doesn't plan to in the following year; he also provided records from the account that documented no fundraising activity in the prior 12-month period. Process the annual reexamination effective 11/1/2024 using annual non-wage income of $0 determined in Step 3.</td></tr>
<tr><td colspan="2">Summary of Annual Income (as reported on the HUD-50058)</td></tr>
<tr><td>Samantha (Head of Household):

Own business: $18,000

Pension: $12,300

Child support: $1,200</td><td>Fergus (Co-head):

Wages: $9,360</td></tr>
<tr><td colspan="2">Poole Family Total Annual Income: $40,860</td></tr>
</table>

Chapter 10
PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the PHA's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the PHA.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals, including service and support animals, and pets, and contains policies related to the designation of a service animal or assistance animal as well as their care and handling.

Part II: Pet policies for General Occupancy Developments. This part includes pet policies, including pet deposits and fees that are applicable to general occupancy developments. The SDHC has no mixed-population (elderly/disabled) developments, elderly-only designated, or disabled-only designated developments.

PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303; 24 CFR 960.705; Notice FHEO 2020-01]

10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal, including service and support animals, may be denied, and also establishes standards for the care of assistance animals.

Notice FHEO 2020-01 was published January 28, 2020. The notice provides guidance to help PHAs and other housing providers distinguish between a person with a non-obvious disability who has a legitimate need for an assistance animal and a person without a disability who simply wants to have a pet or avoid the costs and limitations imposed by the PHA's pet policies. FHEO 2020-01 makes clear that the notice is guidance and a tool for PHAs and other housing providers to use at their discretion and provides a set of best practices for addressing requests for assistance animals. The guidance in FHEO 2020-01 should be read together with HUD's regulations prohibiting discrimination under the Fair Housing Act (FHA) and the HUD/Department of Justice (DOJ) Joint Statement on Reasonable Accommodation under the Fair Housing Act. Housing providers may also be subject to the Americans with Disabilities Act (ADA) and should therefore refer also to DOJ's regulations implementing Titles II and III of the ADA at 28 CFR Parts 35 and 36, in addition to DOJ's other guidance on assistance animals.

There are two types of assistance animals: (1) service animals, and (2) other animals that do work, perform tasks, provide assistance, and/or provide therapeutic emotional support for individuals with disabilities (i.e., support animals).

Assistance animals, including service and support animals, are not pets and thus are not subject to the PHA's pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705; Notice FHEO 2020-01].

10-I.B. APPROVAL OF ASSISTANCE ANIMALS [Notice FHEO 2020-01]

Service Animals

Notice FHEO 2020-01 states that PHAs should initially follow the Department of Justice (DOJ) analysis to assessing whether an animal is a service animal under the Americans with Disabilities Act (ADA). Under the ADA, a *service animal* means any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Other species of animals, whether wild or domestic, trained or untrained, are not service animals for the purposes of this definition. The work or tasks performed by a service animal must be directly related to the individual's disability.

As a best practice, housing providers may use the following questions to help them determine if an animal is a service animal under the ADA:

- Is the animal a dog? If not, the animal is not a service animal but may be another type of assistance animal for which an accommodation is needed (support animal).

- Is it readily apparent that the dog is trained to do work or perform tasks for the benefit of the individual with a disability? If yes, further inquiries are inappropriate because the animal is a service animal. If not, it is advisable that the PHA limit its inquiries to the following two questions: (1) Is the animal required because of the disability? and (2) What work or task has the animal been trained to perform?

  If the answer to question (1) is "yes" and work or a task is identified in response to question (2), grant the requested accommodation if otherwise reasonable. If the answer to either question is "no," the animal does not qualify as a service animal but may be a support animal.

A service animal must be permitted in all areas of the facility where members of the public are allowed.

Support Animals (Assistance Animals other than Service Animals)

If the animal does not qualify as a service animal, the PHA must next determine whether the animal would qualify as a support animal (other type of assistance animal). If the individual has indeed requested a reasonable accommodation to get or keep an animal in connection with a physical or mental impairment or disability, the PHA may use the following questions to help them assess whether to grant the accommodation in accordance with the policies outlined in Chapter 2 (the PHA is not required to grant a reasonable accommodation that has not been requested):

- Does the person have an observable disability or does the PHA already have information giving them reason to believe that the person has a disability? If not, has the person requesting the accommodation provided information that reasonably supports that the person seeking the accommodation has a disability?
- If the person has an observable disability, the PHA already has information giving them reason to believe the person has a disability, or the person has provided information supporting that they have a disability, then has the person provided information that reasonably supports that the animal does work, performs tasks, provides assistance, and/or provides therapeutic emotional support with respect to the individual's disability?
- If yes, is the animal commonly kept in households? An *animal commonly kept in households* would be a dog, cat, small bird, rabbit, hamster, gerbil, other rodent, fish, turtle, or other small, domesticated animal that is traditionally kept in the home for pleasure rather than for commercial purposes. For purposes of this assessment, reptiles (other than turtles), barnyard animals, monkeys, kangaroos, and other non-domesticated animals are not considered common household animals.

  If the individual is requesting to keep a unique animal not commonly kept in households, then the requestor has the substantial burden of demonstrating a disability-related therapeutic need for the specific animal or the specific type of animal. Such individuals are encouraged to submit documentation from a health care professional.

General Considerations

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and their need for the animal [PH Occ GB, p. 179].

Before denying a reasonable accommodation request due to lack of information confirming an individual's disability or disability-related need for an animal, the PHA is encouraged to engage in a good-faith dialog with the requestor called the "interactive process" [FHEO 2020-01].

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A PHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

The Fair Housing Act does not require a dwelling to be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or would result in substantial physical damage to the property of others. A PHA may therefore refuse a reasonable accommodation for an assistance animal if the specific animal poses a direct threat that cannot be eliminated or reduced to an acceptable level through the actions the individual takes to maintain or control the animal (e.g., keeping the animal in a security enclosure).

While most requests for reasonable accommodations involve one animal, requests sometimes involve more than one animal (for example, a person has a disability-related need for both animals, or two people living together each have a disability-related need for a separate assistance animal). The decision-making process in Notice FHEO 2020-01 should be used in accordance with the reasonable accommodation policies in Chapter 2 for all requests for exceptions or modifications to the PHA's rules, policies, practices, and procedures so that persons with disabilities can have assistance animals in the housing where they reside.

PHAs have the authority to regulate service animals and assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

SDHC Policy

For an animal to be excluded from the pet policy and be considered a service animal, it must be a trained dog, and there must be a person with disabilities in the household who requires the dog's services.

For an animal to be excluded from the pet policy and be considered a support animal, there must be a person with disabilities in the household, there must be a disability-related need for the animal, and the family must request and the PHA approve a reasonable accommodation in accordance with the criteria outlined in Notice FHEO 2020-01 and the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a PHA may have to regulate service animals and assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

SDHC Policy

Residents are responsible for feeding, maintaining, providing veterinary care, and controlling their assistance animals. A resident may do this on their own or with the assistance of family, friends, volunteers, or service providers.

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the SDHC will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the SDHC determines that no such accommodation can be made, the SDHC may withdraw the approval of a particular assistance animal.

PART II: PET POLICIES FOR GENERAL OCCUPANCY DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

These pet rules apply to public housing units. In SDHC's developments with both public housing and LIHTC, in the public housing/LIHTC units, these pet rules apply. In SDHC's developments with both public housing and affordable units, these pet rules apply only to the public housing units.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

PHAs may require registration of the pet with the PHA [24 CFR 960.707(b)(5)].

SDHC Policy

Pets must be registered with the SDHC before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed biennually and will be coordinated with the reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Refusal to Register Pets

SDHC Policy

The SDHC will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration biennially

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The SDHC reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the SDHC refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the SDHC's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the SDHC's grievance procedures.

Pet Agreement

SDHC Policy

Residents who have been approved to have a pet must enter into a pet agreement with the SDHC or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the SDHC's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the SDHC's pet policy and applicable house rules may result in the withdrawal of SDHC approval of the pet or termination of tenancy.

10-II.C. PET DEPOSITS

A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

SDHC Policy

Pet owners are required to pay a pet deposit of $300 per pet in addition to any other required deposits. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

SDHC Policy

The SDHC will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 calendar days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The SDHC will provide the resident with a written list of any charges against the pet deposit within 21 calendar days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the SDHC will provide a meeting to discuss the charges.

10-II.D. NONREFUNDABLE NOMINAL PET FEE

PHAs may require payment of a nonrefundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

SDHC Policy

The SDHC charges a $25 monthly pet fee.

10-II.E. OTHER CHARGES

Pet-Related Damages During Occupancy

SDHC Policy

All reasonable expenses incurred by the SDHC as a result of damages directly attributable to the presence of the pet in the development 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

Repairs to the common area of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8.I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

SDHC Policy

A separate pet waste removal charge of $10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

10-II.F. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit based on unit size
- Prohibitions on types of animals that the PHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

PHAs may not require pet owners to have any pet's vocal cords removed.

PHAs may not require pet owners to obtain or carry liability insurance.

PHAs may not require that cats be declawed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

SDHC Policy

Common household pet means a domesticated animal, such as a dog, cat, or bird, that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

Reptiles

Rodents

Insects

Arachnids

Wild animals or feral animals

Pot-bellied pigs

Animals used for commercial breeding

Pet Restrictions

SDHC Policy

The following animals are not permitted:

Any animal whose adult weight will exceed 25 pounds

Dogs of the pit bull, rottweiler, chow, or boxer breeds

Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations

Any animal not permitted under state or local law or code

Number of Pets

SDHC Policy

Residents may own a maximum of two pets.

Other Requirements

SDHC Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and biennially, in conjunction with the resident's biennial reexamination.

10-II.G. PET RULES

Pet owners must maintain pets responsibly, in accordance with PHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

SDHC Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds), dogs and cats must be kept on a leash or carried. They must be under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms, and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The PHA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The PHA may adjust the pet and no-pet

areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

SDHC Policy

The SDHC has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas.

Cleanliness

SDHC Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the SDHC.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed down a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

SDHC Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

SDHC Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited, to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

SDHC Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage SDHC property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

SDHC Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who temporarily cares for another resident's pet must notify the SDHC and sign a statement that they agree to abide by all of the pet rules.

Inspections and Repairs

SDHC Policy

Except for emergencies, management will not enter the dwelling unit for performance of repairs or inspections where a pet resides unless accompanied for the entire duration of the inspection or repair by the pet owner or responsible person designated by the pet owner. Exceptions will be granted on a case-by-case basis.

The pet must be held under physical restraint by the pet owner or responsible person until management has completed its tasks. Any delays or interruptions suffered by management in the inspection, maintenance, and upkeep of the premises due to the presence of a pet may be cause for lease termination.

Pets Temporarily on the Premises

SDHC Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations and approved by the SDHC.

Pet Rule Violations

SDHC Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

SDHC Policy

If the pet owner and the SDHC are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the SDHC, the SDHC may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the SDHC's determination of the pet rule that has been violated

The requirement that the resident/pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

SDHC Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the SDHC after reasonable efforts cannot contact the responsible party, the SDHC may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

SDHC Policy

The SDHC may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

SDHC Policy

The SDHC will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the SDHC to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

Chapter 11
COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring PHAs to implement a community service program for all nonexempt adults living in public housing.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self- sufficiency.

Part II: PHA Implementation of Community Service. This part provides SDHC Policy regarding PHA implementation and program design.

PART I: COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with PHA fiscal years that commenced on or after October 1, 2000. Per 903.7(l)(1)(iii), the PHA Plan must contain a statement of how the PHA will comply with the community service requirement, including any cooperative agreement that the PHA has entered into or plans to enter into.

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 [24 CFR 960.601(b)].

In administering community service requirements, the PHA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

11-I.B. REQUIREMENTS

Each adult resident of the PHA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).
- The required community service or self-sufficiency activity may be completed 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance [Notice PIH 2015-12].

Definitions

Exempt Individual [24 CFR 960.601(b), Notice PIH 2015-12]

An *exempt individual* is an adult who:

- Is age 55 years or older
- Is blind or disabled (as defined under section 216[i][l] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

SDHC Policy

The SDHC will consider any regular hours worked per week as the minimum number of hours needed to qualify for a work activity exemption.

- Is able to meet requirements of being exempted under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program
  - This exemption applies to anyone whose characteristics or family situation meet the welfare agency exemption criteria and can be verified.
- Is 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, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP)/CalFresh, and has not been found by the state or other administering entity to be in noncompliance with such program.

Community Service [24 CFR 960.601(b), Notice PIH 2015-12]

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.

Eligible community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

PHAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

SDHC Policy

Community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work will not be considered eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2015-12]

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

Eligible self-sufficiency activities 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
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- 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 equivalence, in the case of a recipient who has not completed secondary school or received such a certificate

Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2015-12, Notice PIH 2016- 06]

The PHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for PHA verification of exempt status. The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, such as Attachment A of Notice PIH 2015-12, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease. The family must also sign a certification at biennial reexamination, such as Attachment B of Notice PIH 2015-12, certifying that they understand the requirement.

SDHC Policy

The SDHC will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request.

On a biennial basis, the SDHC will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official who will certify to the activities and hours completed.

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

The PHA must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

SDHC Policy

Where the lease term does not coincide with the effective date of the biennial reexamination, the SDHC will not change the effective date of the biennial reexamination to coincide with the lease term.

Disabled individuals will self-certify that they can or cannot perform community service activities.

Upon determination of nonexempt status, the SDHC will notify the family of its determination in accordance with this chapter, Section 11-I.B., Notification Requirements.

Determination of Compliance

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

SDHC Policy

For biennial reexaminations, the SDHC will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the SDHC required documentation form(s).

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

Change in Status between Regular Reexaminations

SDHC Policy

Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the twelve month lease term, it is the family's responsibility to report this change to the SDHC within 10 business days.

Within 10 business days of a family reporting such a change, or the SDHC determining such a change is necessary, the SDHC will provide written notice of the effective date of the requirement, a list of agencies in the community that

provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30-day notice.

Determination of Initial Compliance

When an adult family member becomes subject to community service, he or she must perform 8 hours of community service for the months he or she is subject to the requirement before the end of the lease term (anniversary date).

> Example 1: Alberto Jones turns 18 on 5/10/18 and is not exempt from the community service requirement. His community service requirement begins on 6/1/18, and his initial compliance is reviewed before the end of the lease term (anniversary date), which is 11/30/18.
>
> - Alberto must perform 6 months of community service in his initial compliance period, before the end of the lease term (anniversary date).

> Example 2: Lisa Dewhurst leaves her job on 9/20/18 and is not exempt from the community service requirement. Her community service requirement begins on 10/1/18, and her initial compliance is reviewed before the end of the lease term (anniversary date), which is 6/30/19.
>
> - Ms. Dewhurst must perform 9 months of community service in her initial compliance period, before the end of the lease term (anniversary date).

Nonexempt to Exempt Status

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

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

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4), 960.607, Notice PIH 2016-08]

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

Documentation and Verification of Exemption Status

SDHC Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The SDHC will provide a completed copy to the family and will keep a copy in the tenant file.

The SDHC will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

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

Documentation and Verification of Compliance

At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the PHA of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2015-12].

SDHC Policy

If anyone in the family is subject to the community service requirement, the SDHC will provide the family with community service documentation forms at admission, at lease renewal, when a family member becomes subject to the community service requirement during the lease term, or upon request by the family.

Each individual who is subject to the community service requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the SDHC, upon request by the SDHC, at least annually.

If the SDHC has reasonable cause to believe that the certification provided by the family is false or fraudulent, the SDHC has the right to require additional third-party verification.

11-I.E. NONCOMPLIANCE

Noncompliant Residents

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

PHAs may not evict a family due to CSSR noncompliance. However, if PHA finds a tenant is noncompliant with CSSR, the PHA must provide written notification to the tenant of the noncompliance which must include:

- A brief description of the finding of non-compliance with CSSR.
- A statement that the PHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement [24 CFR 960.607(c), Notice PIH 2015-12].

The notice must also state that the tenant may request a grievance hearing on the PHA's determination, in accordance with the PHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the PHA's nonrenewal of the lease because of the PHA's determination.

SDHC Policy

The notice of noncompliance will be sent at least 30 days prior to the end of the lease term.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written work-out agreement to cure the noncompliance, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the PHA will terminate tenancy in accordance with the policies in Section 13-IV.D.

Continued Noncompliance and Enforcement Documentation [24 CFR 960.607(b)]

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, PHAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease (see 24 CFR 966.53(c)) for failure to comply with lease requirements. When initiating termination of tenancy proceedings, the PHA will provide the following procedural safeguards:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the PHA, 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.

SDHC Policy

Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART II: IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

Each PHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the PHA's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

PHA Implementation of Community Service

The PHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

SDHC Policy

The SDHC does not offer community service activities at the developments.

PHA Program Design

The PHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations and community agencies or institutions [24 CFR 960.605(b)].

SDHC Policy

The SDHC will attempt to provide the broadest choice possible to residents as they choose community service activities.

The SDHC's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The SDHC will work with resident organizations and community organizations to design, implement, assess, and recalibrate its community service program.

The SDHC will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the SDHC will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the SDHC Plan.

When the PHA has a ROSS program, a ROSS Service Coordinator, or an FSS program, the PHA will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with PHA coordinators will satisfy community service activities and PHA coordinators will verify community service hours within individual monthly logs.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (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 or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

Note: Political activity is excluded.

Self-Sufficiency Activities – self-sufficiency activities 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
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Exempt Adult – an adult member of the family who meets any of the following criteria:

- Is 55 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][l] or 1614 of the Social Security Act) and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individual
- Is engaged in *work activities*
- Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program; or
- Is 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, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program

PHAs can use reasonable guidelines in clarifying the work activities in coordination with TANF, as appropriate.

Work Activities – as it relates to an exemption from the community service requirement, *work activities* means:

- 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 equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity or a combination of the two.
2. At least eight (8) hours of activity must be performed each month, or may be aggregated across a year. Any blocking of hours is acceptable as long as long as 96 hours is completed by each annual certification of compliance.
3. Family obligation:
   - At lease execution, all adult members (18 or older) of a public housing resident family must:
     - Sign a certification (Attachment A) 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 a nonrenewal of their lease; and
     - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
   - Upon written notice from the PHA, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying the number of hours.
   - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.
   - At reexamination, the family must also sign a certification certifying that they understand the community service requirement.
4. Change in exempt status:
   - If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the PHA and provide documentation of exempt status.
   - If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the PHA. Upon receipt of this information the PHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the PHA will:
   - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
   - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The PHA will provide the family with a copy of this policy and all applicable exemption verification forms and community service documentation forms at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the PHA will verify the exemption status in accordance with its verification policies. The PHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the PHA's grievance procedure if they disagree with the PHA's determination.
4. Noncompliance of family member:
   - At least thirty (30) days prior to the end of the 12-month lease term, the PHA will begin reviewing the exempt or nonexempt status and compliance of family members;
   - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the PHA finds the family member to be noncompliant, the PHA will not renew the lease unless:
     – The head of household and any other noncompliant resident enter into a written agreement with the PHA, to make up the deficient hours over the next twelve (12) month period; or
     – The family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit.
   - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit;
   - The family may use the PHA's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(l) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term "disability" means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term "blindness" means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. *[42 U.S.C. 1382c]* (a)(1) For purposes of this title, the term "aged, blind, or disabled individual" means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: PHA DETERMINATION OF EXEMPTION FOR COMMUNITY

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the PHA's community service requirement for the following reason:

❒ 55 years of age or older *(Documentation of age in file)*

❒ Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement (*Documentation of HUD definition of disability in file)*

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

_____ _____

Signature of Family Member Date

❒ Is the primary caretaker of such an individual in the above category *(Documentation in file)*

❒ Is engaged in work activities *(Verification in file)*

❒ Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program (*Documentation in file*)

❒ Is 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, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program *(Documentation in file)*

_____ _____

Signature of Family Member Date

_____ _____

Signature of PHA Official Date

EXHIBIT 11-4: CSSR WORK-OUT AGREEMENT

Date: _____

Noncompliant Adult: _____

Adult family member: _____

Community Service & Self-Sufficiency Requirement (CSSR):

Under Section 12 of the U.S. Housing Act, the San Diego Housing Commission (SDHC) is required to enforce the community service and self-sufficiency requirement (CSSR). Under the CSSR, each nonexempt adult family member residing in public housing must perform 8 hours per month of community service or self sufficiency activities.

Noncompliance: The SDHC has found that the nonexempt individual named above is in noncompliance with the CSSR. This work-out agreement is the SDHC's written notification to you of this noncompliance.

Our records show that for the most recent lease term you were required to perform _____hours of CSSR activities. However, there were_____hours of verified CSSR activities. Therefore, you are in noncompliance for_____hours.

The SDHC will not renew the lease at the end of the current 12-month lease term unless the head of household and noncompliant adult sign a written work-out agreement with the SDHC or the family provides written assurance that is satisfactory to the SDHC explaining that the noncompliant adult no longer resides in the unit. The regulations require that the work-out agreement include the means through which a noncompliant family member will comply with the CSSR requirement. [24 CFR 960.607(c), Notice PIH 2015-12]. The terms of the CSSR work-out agreement are on the reverse side of this page.

Enforcement: Should a family member refuse to sign this CSSR work-out agreement, or fail to comply with the terms of this CSSR work-out agreement, or fail to provide satisfactory written assurance that the noncompliant adult no longer resides in the unit, the SDHC is required to initiate termination of tenancy proceedings at the end of the current 12-month lease [24 CFR 966.53(c)].

Terms of CSSR Work-Out Agreement

Noncompliant Adult: _____

Please check one of the below boxes:

❒ I [head of household or spouse/cohead] certify that the noncompliant adult named above no longer resides in the unit. [Verification attached.]

❒ I, the noncompliant adult named above, agree to complete_____hours in the upcoming 12-month lease term. These hours include the_____hours not fulfilled in the most previous lease term, plus the 96 hours for the upcoming lease term.

Below is a description of means through which I will comply with the CSSR requirement:

	Description of Activity	Number of Hours
1.		
2.		
3.		
4.		
5.		
	Total Hours	

SIGNED AND ATTESTED THIS DATE

*Signature:*_____ *Date:*_____

Head of Household

*Signature:*_____ *Date:*_____

Noncompliant Adult, if other than Head of Household

*Signature:*_____ *Date:*_____

SDHC Official

Chapter 12
TRANSFER POLICY

INTRODUCTION

This chapter explains the PHA's transfer policy, based on HUD regulations, HUD guidance, and SDHC Policy decisions.

This chapter describes HUD regulations and PHA policies related to transfers in four parts:

Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.

Part II: PHA Required Transfers. This part describes types of transfers that may be required by the PHA, notice requirements, and payment of transfer costs.

Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.

Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The PHA may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The PHA must have specific policies in place to deal with acceptable transfer requests.

PART I: EMERGENCY TRANSFERS

12-I.A. OVERVIEW

HUD categorizes certain situations that require emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the PHA.

In the case of a genuine emergency, it may be unlikely that the PHA will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the PHA should find alternate accommodations for the tenant until the emergency passes, or a permanent solution (i.e., return to the unit or transfer to another unit), is possible.

12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or the safety of the occupants, the PHA must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

The VAWA 2013 final rule requires the PHA to adopt an emergency transfer plan for victims of domestic violence, dating violence, sexual assault, or stalking.

SDHC Policy

The following are considered emergency circumstances warranting an immediate transfer of the tenant or family:

Maintenance conditions in the resident's unit, building, or on the property that pose an immediate, verifiable threat to the life, health, or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak, no heat in the building during the winter, no water, toxic contamination, and serious water leaks.

A verified incident of domestic violence, dating violence, sexual assault, or stalking. For instances of domestic violence, dating violence, sexual assault, or stalking, the threat may be established through documentation outlined in section 16-VII.D. In order to request the emergency transfer, the requestor must submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP), although, the PHA may waive this requirement in order to expedite the transfer process.

The SDHC will immediately process requests for transfers due to domestic violence, dating violence, sexual assault, or stalking. The SDHC will allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available. The PHA defines *immediately available* as a vacant unit, that is ready for move-in within a reasonable period of time, not to exceed **14 days**. If an internal transfer to a safe unit is not immediately available, the PHA will assist the resident in seeking an external emergency transfer either within or outside the PHA's programs.

The SDHC has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

12-I.C. EMERGENCY TRANSFER PROCEDURES

SDHC Policy

Any condition that would cause the unit to be uninhabitable would qualify a family for an emergency transfer if the unit cannot be made habitable within 24 hours.

If the transfer is necessary because of maintenance conditions and an appropriate unit is not immediately available, the SDHC will provide temporary accommodations to the tenant by arranging for temporary lodging at a hotel or similar location. If the conditions that required the transfer cannot be repaired or the condition cannot be repaired in a reasonable amount of time, the SDHC will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers are mandatory for the tenant.

If the emergency transfer is necessary to protect a victim of domestic violence, dating violence, sexual assault, or stalking, the SDHC will follow procedures outlined in Exhibit 16-4.

12-I.D. COSTS OF TRANSFER

SDHC Policy

The SDHC will bear the reasonable costs of temporarily accommodating the tenant and of long-term transfers, if any, due to emergency conditions.

The reasonable cost of transfers includes the cost of packing, moving, and unloading.

The SDHC will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the SDHC will collect information from companies in the community that provide these services.

The SDHC will reimburse the family for eligible out-of-pocket moving expenses up to the SDHC's established moving allowance.

PART II: PHA REQUIRED TRANSFERS

12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the PHA to develop reasonable transfer policies.

The PHA may require that a resident transfer to another unit under some circumstances. For example, the PHA may require a resident to transfer to make an accessible unit available to a disabled family. The PHA may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a PHA may transfer residents in order to demolish or renovate the unit.

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

12-II.B. TYPES OF PHA REQUIRED TRANSFERS

SDHC Policy

The types of transfers that may be required by the SDHC, include, but are not limited to: transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the SDHC are mandatory for the tenant.

Transfers to Make an Accessible Unit Available

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

SDHC Policy

When a non-accessible unit becomes available, the SDHC will transfer a family living in an accessible unit that does not require the accessible features to an available unit that is not accessible. The SDHC may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

Occupancy Standards Transfers

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

SDHC Policy

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

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

Overcrowded: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

Over-housed: the family no longer qualifies for the bedroom size in which they are living based on the SDHC's occupancy standards as described in Section 5-I.B.

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

The SDHC may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the SDHC that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Demolition, Disposition, Revitalizations, or Rehabilitation Including Rental Assistance Demonstration (RAD) ConversionsTransfers

These transfers permit the PHA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

SDHC Policy

The SDHC will follow the Uniform Relocation Act requirements.

The SDHC will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant or the unit is being disposed of or demolished. The SDHC's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

A PHA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the PHA may not take action on the transfer until the conclusion of the grievance process.

12-II.D. COST OF TRANSFER

SDHC Policy

The SDHC will bear the reasonable costs of transfers that the SDHC requires, except that residents will be required to bear the cost of occupancy standards transfers.

The reasonable costs of transfers include the cost of packing, moving, and unloading.

The SDHC will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the SDHC will collect information from companies in the community that provide these services.

The SDHC will reimburse the family for eligible out-of-pocket moving expenses up to the SDHC's established moving allowance.

PART III: TRANSFERS REQUESTED BY TENANTS

12-III.A. OVERVIEW

HUD provides the PHA with discretion to consider transfer requests from tenants. The only requests that the PHA is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the PHA. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the PHA.

Some transfers that are requested by tenants should be treated as higher priorities than others due to the more urgent need for the transfer.

12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS

SDHC Policy

The types of requests for transfers that the SDHC will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to the SDHC's occupancy standards, and transfers to a location closer to employment. No other transfer requests will be considered by the SDHC.

The SDHC will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the SDHC's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, or a hate crime

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The SDHC will consider the following as regular priority transfer requests:

When a family requests a larger bedroom size unit even though the family does not meet the SDHC's definition of overcrowded, as long as the family meets the SDHC's occupancy standards for the requested size unit

When the head of household or spouse/cohead is 25 miles or more from the following:

A place of employment; or

Child care provider who will care for children of a working single, head of household; or

A continuing or advanced education facility attended by head of household

Transfers requested by the tenant are considered optional for the tenant.

12-III.C. ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the PHA may establish other standards for considering a transfer request [PH Occ GB, p. 150].

SDHC Policy

For resident-requested transfers, except where reasonable accommodation is being requested, the SDHC will only consider transfer requests from residents that meet the following requirements:

Have not engaged in criminal activity that threatens the health and safety of residents and staff

Owe no back rent or other charges, or have a pattern of late payments*

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the SDHC's advantage to make the transfer.

Exceptions will also be made when the SDHC determines that a transfer is necessary to protect the health or safety of a resident who is a victim of domestic violence, dating violence, sexual assault, or stalking, and who provides documentation of abuse in accordance with section 16-VII.D of this ACOP. Tenants who are not in good standing may still request an emergency transfer under VAWA.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of three years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

- a pattern of late payments is established with any four (4) late payments made in the preceding 12 months.

12-III.D. SECURITY DEPOSITS

SDHC Policy

When a family transfers from one unit to another, the SDHC will not transfer their security deposit to the new unit. The tenant will be required to pay a new security deposit for the new unit as described in 8-I.E. The deposit from the prior unit will be refunded as described in 8-I-E.

12-III.E. COST OF TRANSFER

The PHA must pay moving expenses to transfer a resident with a disability to an accessible unit as an accommodation for the resident's disability [Notice PIH 2010-26].

SDHC Policy

The resident will bear all the costs of transfer they request, except that the SDHC will bear the reasonable costs of reasonable accommodation transfers. See 12-II.D. for moving costs the SDHC will bear.

12-III.F. HANDLING OF REQUESTS

SDHC Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In case of a reasonable accommodation transfer request, the SDHC will encourage the resident to make the request in writing. However, the SDHC will consider the transfer request any time the resident indicates that an accommodation is needed, whether or not a formal request is submitted. In this case, the SDHC will document the resident's oral request [HUD/DOJ Joint Statement on Reasonable Accommodation].

In order to request the emergency transfer under VAWA, the resident will be required to submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP). The SDHC may, on a case-by-case basis, waive this requirement and accept a verbal request in order to expedite the transfer process. If the SDHC accepts an individual's statement, the SDHC will document acceptance of the statement in the individual's file in accordance with 16-VII.D. of this ACOP. Transfer requests under VAWA will be processed in accordance with the SDHC's Emergency Transfer Plan (Exhibit 16-3).

If the family does not meet the "good record" requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The SDHC will respond within ten (10) business days of the submission of the family's request. If the SDHC denies the request for transfer, the family will be informed of its grievance rights.

PART IV: TRANSFER PROCESSING

12-IV.A. OVERVIEW

Generally, families who request a transfer should be placed on a transfer list and processed in a consistent and appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience inequitable treatment.

12-IV.B. TRANSFER LIST

SDHC Policy

The SDHC will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency cannot be resolved by a temporary accommodation, and the resident requires a permanent transfer, the family will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous maintenance conditions, VAWA)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, and reasonable accommodation)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other SDHC-required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

The SDHC may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.

Demolition and renovation transfers will gain the highest priority as necessary to allow the SDHC to meet the demolition or renovation schedule.

Transfers will take precedence over waiting list admissions.

12-IV.C. TRANSFER OFFER POLICY

SDHC Policy

Residents will receive one offer of a transfer.

When the transfer is required by the SDHC, the refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, the refusal of that offer without good cause will result in the removal of the family from the transfer list. In such cases, the family must wait six months to reapply for another transfer.

12-IV.D. GOOD CAUSE FOR UNIT REFUSAL

SDHC Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

The family demonstrates to the SDHC's satisfaction that accepting the unit offer will require an adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.

The family demonstrates to the SDHC's satisfaction that accepting the offer will place a family member's life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

The SDHC will require documentation of good cause for unit refusals.

12-IV.E. DECONCENTRATION

SDHC Policy

If subject to deconcentration requirements, the SDHC will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the SDHC's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS

SDHC Policy

The reexamination date will be changed to the first of the month in which the transfer took place.

Chapter 13
LEASE TERMINATIONS

INTRODUCTION

Either party to the dwelling lease agreement may terminate the lease in accordance with the terms of the lease. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program. The PHA has the authority to terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations also specify when termination of the lease is mandatory by the PHA.

When determining SDHC Policy on terminations of the lease, the PHA must consider state and local landlord-tenant laws in the area where the PHA is located. Such laws vary from one location to another, and these variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern voluntary termination of the lease by the family and the mandatory and voluntary termination of the lease by the PHA. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the PHA requirements for voluntary termination of the lease by the family.

Part II: Termination by PHA - Mandatory. This part describes circumstances when termination of the lease by the PHA is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements and families that have been over-income for 24 consecutive months.

Part III: Termination by PHA – Other Authorized Reasons. This part describes the PHA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes PHAs to terminate. For some of these options HUD requires the PHA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the PHA has full discretion whether to consider the options as just cause to terminate as long as the PHA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the PHA may consider in lieu of termination, and the criteria the PHA will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and PHA policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

PART I: TERMINATION BY TENANT

13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the property site office or the PHA central office or sent by pre-paid first-class mail, properly addressed.

SDHC Policy

If a family desires to move and terminate their tenancy with the SDHC, they must give at least 30 calendar days advance written notice to the SDHC of their intent to vacate. When a family must give less than 30 days' notice due to circumstances beyond their control the SDHC, at its discretion, may waive the 30-day requirement.

The notice of lease termination must be signed by the head of household, spouse, or cohead.

PART II: TERMINATION BY PHA – MANDATORY

13-II.A. OVERVIEW

HUD requires mandatory termination of the lease for certain actions or inactions of the family. There are other actions or inactions of the family that constitute *grounds* for lease termination, but the lease termination is not mandatory. The PHA must establish policies for termination of the lease in these cases where termination is optional for the PHA.

For those tenant actions or failures to act where HUD requires termination, the PHA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the PHA to terminate the lease.

13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The PHA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The PHA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

13-II.D. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3), Notice PIH 2012-10]

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

SDHC Policy

The SDHC will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

See Chapter 7 for a complete discussion of documentation and certification requirements.

13-II.E. FAILURE TO ACCEPT THE PHA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The PHA must terminate the lease if the family fails to accept the PHA's offer of a lease revision to an existing lease, provided the PHA has done the following:

- The revision is on a form adopted by the PHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The PHA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The PHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to PHA policies for offering lease revisions.

13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

- SDHC must permanently deny assistance to applicants and terminate the assistance of persons convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

See Part 13-III.B. below for the HUD definition of *premises.*

13-II.G. LIFETIME REGISTERED SEX OFFENDERS [Notice PIH 2012-28]

Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

13-II.H. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]

The PHA is prohibited from renewing the lease at the end of the 12 month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

13-II.I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2012-4]

The PHA must immediately terminate the lease following the death of the sole family member.

13-II.J. OVER-INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; PIH 2023-03; FR Notice 2/14/23]

In the public housing program, an *over-income family* is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

- Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or
- Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

The PHA must establish a continued occupancy policy for over-income families in the ACOP indicating which of the above will occur.

SDHC Policy

For families whose income exceeds the over-income limit for 24 consecutive months, the SDHC will not terminate the family's tenancy and will charge the family the alternative non-public housing rent, as well as require the family to sign a new non-public housing lease in accordance with the continued occupancy policies below.

Over-Income Limit [Notice PIH 2023-03]

The PHA must publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit (VLI) by 2.4, as adjusted for family size. Information about HUD's income limits and HUD's methodology for adjusting income limits as part of the income limit calculation can be found at: **https://www.huduser.gov/portal/datasets/il.html**.

SDHC Policy

The SDHC will rely on the following over-income limits. These numbers will be updated within 60 days of HUD publishing new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.

Family Size	1	2	3	4	5	6	7	8
Over-Income Limit	$109,320	$124,920	$140,520	$156,120	$168,720	$181,200	$193,680	$206,160

For families larger than eight persons, the over-income limit will be calculated by multiplying the applicable very low-income limit by 2.4.

Decreases in Income [24 CFR 960.507(c)(4)]

If, at any time during the consecutive 24-month period following the initial over-income determination, the PHA determines that the family's income is below the over-income limit, the PHA's over-income policies no longer apply to the family. If the PHA later determines that the family's income exceeds the over-income limit at a subsequent annual or interim reexamination, the family is entitled to a new 24 consecutive month period and new notices under this section.

SDHC Policy

If, at any time during the 24-month period following the initial over-income determination, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with SDHC policy in Chapter 9.

If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The SDHC will notify the family in writing within 10 business days of the determination that over-income policies no longer apply to them.

Initial Notice of Over-Income Status [24 CFR 960.507(c)(1); Notice PIH 2023-03]

If the PHA determines the family has exceeded the over-income limit during an annual or interim reexamination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. Exhibit 13-1 provides a notice based on HUD's sample notice.

SDHC Policy

At annual or interim reexamination, if a family's income exceeds the applicable over-income limit, within 10 business days of the determination, the PHA will notify the family in writing of the determination. The notice will state that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA's over-income policies. The notice will state that the family may request a hearing if the family disputes the PHA's determination in accordance with PHA policies in Chapter 14. The PHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments.

Second Notice of Over-Income Status [24 CFR 960.507(c)(2); Notice 2023-03; Notice PIH 2023-27]

The PHA must conduct an income examination 12 months after the initial over-income determination, unless the PHA determined the family's income fell below the over-income limit since the initial over-income determination. This includes when the PHA makes an initial determination that a family is over-income during an interim reexamination. In this case the PHA must conduct an interim reexamination 12 months after the over-income determination, unless the family's income falls below the over-income limit during the 24-month period. See Chapter 9 for PHA policies on interims for over-income families.

If the PHA determines the family continues to exceed the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to do so for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. Additionally, if applicable under PHA policy, the notice must include an estimate (based on current data) of the alternative non-public housing rent for the family's unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. Exhibits 13-2 provides a sample 12-month notices based on HUD's model notices.

SDHC Policy

The PHA will conduct an interim reexamination to determine if a family's income exceeds the applicable over-income limit after 12 consecutive months. The PHA will notify the family in writing of the determination. The notice will state that if the family continues to be over-income for 24 consecutive months, the family will be subject to the PHA's over-income policies. The notice will provide an estimate of the alternative non-public housing rent applicable to the family at the close of the 24 consecutive month period. The notice will also state that the family may request a hearing if the family disputes the PHA's determination in accordance with PHA policies in Chapter 14. The PHA will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments.

Final Notice of Over-Income Status [24 CFR 960.507(c)(3) and 960.509; Notice PIH 2023-02; Notice PIH 2023-27]

Unless the PHA determined the family's income fell below the over-income limit since the second over-income determination, the PHA must conduct an interim reexamination 24 months after the initial over income determination, even if the family is paying flat rent. When a PHA makes an initial determination that a family is over-income during an interim reexamination, the PHA must conduct an interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the family's income falls below the over-income limit during the 24-month period.

If the family continues to be over-income based on this determination, the PHA must provide written notification of this determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 24 consecutive months and that the PHA will follow its continued occupancy policies for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit. Exhibit 13-3 provides a sample 24-month notice based on HUD's model notices.

SDHC Policy

The PHA will conduct an interim reexamination to determine if a family's income exceeds the applicable over-income limit for 24 consecutive months. The SDHC will notify the family in writing of the determination within 10 business days of the completion of the interim reexamination. The SDHC will ensure that all notices and communications are provided in a manner that is effective for persons with hearing, visual, and other impairments. The notice will state that the family will be charged the alternative non-public housing rent in accordance with SDHC continued occupancy policies and HUD regulations and provide the family's new rent amount.

The notice will also include a new non-public housing (NPHOI) lease and inform the family that the lease must be executed by the family and the SDHC no later than 60 days from the date of the notice or at the next lease renewal, whichever is sooner. The family will continue to be a public housing program participant until the family executes the new non-public housing (NPHOI) lease. The notice will also state that failure to execute the lease within this time period stated in the notice will result in termination of tenancy no more than six months after the date of the notice. The SDHC will permit an over-income family to execute a lease beyond this time period, but before termination of tenancy, if the over-income family pays the SDHC the total difference between the alternative non-public housing rent and their public housing rent dating back to the point in time that the over-income family was required to execute the new lease.

Once the family signs the new non-public housing (NPHOI) lease, the family will no longer be a public housing participant family. The family will no longer be subject to income examinations, are precluded from participating in the resident council, and cannot participate in any programs that are only for public housing or low-income families. The SDHC will not provide such families with hearing or grievance rights.

The non-public housing over-income (NPHOI) lease will contain all required provisions listed at 24 CFR 960.509. The initial term of the lease will be for one year. Upon expiration of the initial lease term, the lease will not renew automatically, and subsequent leases will state renewal terms. At any time, the SDHC may terminate tenancy in accordance with 24 CFR 960.509(b)(11) and in accordance with state and local law.

Upon execution of the lease, the tenant will be required pay the amount of monthly tenant rent (known as the alternative non-public housing rent) determined by the SDHC in accordance with HUD regulations. The SDHC will comply with state and local law in giving the tenant written notice stating any changes in the amount of tenant rent. Charges assessed under the lease will be due in accordance with state and local law.

If an NPHOI family subsequently experiences a decrease in income after signing the NPHOI lease, the family may only be readmitted to the public housing program if they once again become an eligible low-income family and reapply to the public housing program.

PART III: TERMINATION BY PHA – OTHER AUTHORIZED REASONS

13-III.A. OVERVIEW

Besides requiring PHAs to terminate the lease under the circumstances described in Part II, HUD requires the PHA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations.
While these provisions for lease termination must be in the lease agreement, HUD does not require PHAs to terminate for such violations in all cases. The PHA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the PHA may, as an alternative to termination, require the exclusion of the culpable household member. The PHA must adopt policies concerning the use of these options.

In addition, HUD authorizes PHAs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or for other good cause. The PHA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the PHA lease. In the development of the terms of the lease, the PHA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords PHAs wide discretion in some areas, a broad range of policies could be acceptable.

The PHA, with some restrictions, also has the option to terminate the tenancies of certain over-income families.

The PHA may consider alternatives to termination and must establish policies describing the criteria the PHA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the PHA must take when terminating a family's lease.

13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require PHAs to terminate for such violations in all cases, therefore PHA policies are needed.

Definitions **[24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

Affiliated individual is defined in section 16-VII.B.

Covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Dating violence is defined in section 16-VII.B.

Domestic violence is defined in section 16-VII.B.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

Guest means 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.

Household means the family and PHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

Other person under the tenant's control means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Premises means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Sexual assault is defined in section 16-VII.B.

Stalking is defined in section 16-VII.B.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

SDHC Policy

The SDHC will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The SDHC will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by- case basis, choose not to terminate the lease.

Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that a PHA may evict a family when the PHA determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

SDHC Policy

The SDHC will terminate the lease when the SDHC determines that a household member is illegally using a drug or the SDHC determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous six months.

The SDHC will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by-case basis, choose not to terminate the lease.

Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

SDHC Policy

The SDHC will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including SDHC management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The SDHC will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by-case basis, choose not to terminate the lease.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

SDHC Policy

The SDHC will terminate the lease if the SDHC determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous six months.

The SDHC will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by-case basis, choose not to terminate the lease.

Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

SDHC Policy

The SDHC will terminate the lease if the SDHC determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The SDHC will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by-case basis, choose not to terminate the lease.

Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking may not be construed as serious or repeated violations of the lease by the victim or threatened victim [24 CFR 5.2005(c)(1)].

SDHC Policy

The SDHC will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Four late payments within a 12-month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the SDHC for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household, or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe, and sanitary condition

In making its decision to terminate the lease, the PHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate the lease.

13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes PHAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as "other good cause."

Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the PHA may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the PHA to only those examples. The Violence against Women Act explicitly prohibits PHAs from considering incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking as "other good cause" for terminating the assistance, tenancy, or occupancy rights of the victim or threatened victim of such violence [24 CFR 5.2005(c)(1)].

SDHC Policy

The SDHC will terminate the lease for the following reasons.

Fugitive Felon or Parole Violator. If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery of facts after admission to the program that would have made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with a reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the SDHC to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the SDHC that such a dwelling unit is available

Failure to permit access to the unit by the SDHC after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the SDHC of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 business days of the event.

Failure to abide by the provisions of the SDHC pet policy

If the family has breached the terms of a repayment agreement entered into with the PHA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward SDHC personnel.

Abusive or violent behavior towards SDHC *personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate the lease, the SDHC will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SDHC may, on a case-by-case basis, choose not to terminate the lease.

Family Absence from Unit [24 CFR 982.551(i)]

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the PHA needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

SDHC Policy

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 family absence from the unit, including any SDHC-requested information or certification on the purposes of family absences. The family must cooperate with the SDHC for this purpose.

The family must promptly notify the SDHC when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. In such a case, promptly means within 10 business days of the start of the extended absence.

If a family is absent from the public housing unit for more than 180 consecutive days, and the family does not adequately verify that they are living in the unit, the SDHC will terminate the lease for other good cause.

Abandonment of the unit. If the family appears to have vacated the unit without giving proper notice, the PHA will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the SDHC will secure the unit immediately to prevent vandalism and other criminal activity

13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]

As an alternative to termination of the lease for criminal activity or alcohol abuse, HUD provides that the PHA may consider exclusion of the culpable household member. Such an alternative can be used for any other reason where such a solution appears viable in accordance with SDHC Policy.

Additionally, under the Violence against Women Act, the PHA may bifurcate a lease in order to terminate the tenancy of an individual who is a tenant or lawful occupant of a unit and engages in criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or human trafficking.

SDHC Policy

The SDHC will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon SDHC request.

Repayment of Family Debts

SDHC Policy

If a family owes amounts to the SDHC, as a condition of continued occupancy, the SDHC will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the SDHC of the amount owed. See Chapter 16 for policies on repayment agreements.

13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A PHA that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the PHA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

SDHC Policy

The SDHC will use the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the PHA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

SDHC Policy

The SDHC will consider the following facts and circumstances before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

The seriousness of the offending action, especially with respect to how it would affect other residents' safety or property

The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking

The effects that the eviction will have on other family members who were not involved in the action or failure to act

The effect on the community of the termination, or of the SDHC's failure to terminate the tenancy

The effect of the SDHC's decision on the integrity of the public housing program

The demand for housing by eligible families who will adhere to lease responsibilities

The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history, and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for termination, an arrest may, however, trigger an investigation to determine whether the participant is actually engaged in disqualifying criminal activity. As part of its investigation, the SDHC may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The SDHC may also consider:

Any statements made by witnesses or the participant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

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

In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family.

Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]

HUD authorizes PHAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

SDHC Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use or for abuse or a pattern of abuse of alcohol by a household member who is no longer engaging in such use or abuse, the SDHC will consider whether the household member has successfully completed a supervised drug or alcohol rehabilitation program.

For this purpose the SDHC will require the tenant to submit evidence of the household member's successful completion of a supervised drug or alcohol rehabilitation program.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the PHA's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SDHC Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the SDHC will determine whether the behavior is related to the disability. If so, upon the family's request, the SDHC will determine whether alternative measures are appropriate as a reasonable accommodation. The SDHC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter 2 for a discussion of reasonable accommodation.

Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]

The PHA's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13-III.F. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, STALKING, OR HUMAN TRAFFICKING

This section addresses the protections against termination of tenancy that the Violence against Women Act (VAWA) provides for public housing residents who are victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking. For general VAWA requirements and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-VII of this ACOP, where definitions of key VAWA terms are also located.

VAWA Protections against Termination [24 CFR 5.2005(c)]

VAWA provides that no person may deny assistance, tenancy, or occupancy rights to public housing to a tenant on the basis or as a direct result of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or affiliated individual is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking [FR Notice 8/6/13].

VAWA further provides that incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed either as serious or repeated violations of the lease by the victim or threatened victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence [24 CFR 5.2005(c)(1), FR Notice 8/6/13].

- Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

PHAs and owners may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises or assists or encourages a person to exercise any rights or protections under VAWA [FR Notice 1/4/23].

Limits on VAWA Protections [24 CFR 5.2005(d) and (e), FR Notice 8/6/13]

While VAWA prohibits a PHA from using domestic violence, dating violence, sexual assault, or stalking as the cause for a termination or eviction action against a public housing tenant who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit a PHA's otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, sexual assault, or stalking providing that the PHA does not subject the victim to a more demanding standard than the standard to which it holds other tenants.
- VAWA does not limit a PHA's authority to terminate the tenancy of any public housing tenant if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated.

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, the PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat, including but not limited to transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat" [24 CFR 5.2005(d)(3)]. Additionally, HUD regulations state that restrictions "predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents" [24 CFR 5.2005(d)(3)].

SDHC Policy

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the SDHC will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location, transferring the victim to another unit, or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the tenant wishes to contest the SDHC's determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the grievance hearing or in a court proceeding.

Documentation of Abuse [24 CFR 5.2007]

SDHC Policy

When an individual facing termination of tenancy for reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking claims protection under VAWA, the SDHC will request in writing that the individual provide documentation supporting the claim in accordance with the policies in section 16-VII.D of this ACOP.

The SDHC reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the SDHC will document the waiver in the individual's file.

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide such protection for perpetrators. In fact, VAWA gives the PHA the explicit authority to bifurcate a lease, or remove a household member from a lease, "in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing" [FR Notice 8/6/13]. Moreover, HUD regulations impose on the PHA the obligation to consider lease bifurcation in any circumstances involving domestic violence, dating violence, stalking, or human trafficking [24 CFR 966.4(e)(9)].

Specific lease language affirming the PHA's authority to bifurcate a lease is not necessary, and the authority supersedes any local, state, or federal law to the contrary. However, if the PHA chooses to exercise its authority to bifurcate a lease, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance. This means that the PHA must follow the same rules when terminating or evicting an individual as it would when terminating or evicting an entire family [FR Notice 3/16/07]. However, perpetrators should be given no more than 30 days' notice of termination in most cases [Notice PIH 2017-08].

SDHC Policy

The SDHC will bifurcate a family's lease and terminate the tenancy of a family member if the SDHC determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.

In making its decision, the SDHC will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the SDHC by the victim in accordance with this section and section 16-VII.D. The SDHC will also consider the factors in section 13.III.E. Upon such consideration, the SDHC may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the SDHC does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If the person removed from the lease was the only tenant eligible to receive assistance, the SDHC must provide any remaining tenant a chance to establish eligibility for the unit. If the remaining tenant cannot do so, the SDHC must provide the tenant reasonable time to find new housing or to establish eligibility for another housing program covered by VAWA 2013.

PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

13-IV.A. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes PHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. SDHC Policy determines when the PHA will conduct such checks.

SDHC Policy

The SDHC will conduct criminal records checks at recertification, or when it has come to the attention of the SDHC, either from local law enforcement or by other means, that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on a biennial basis.

The PHA may not pass along to the tenant the costs of a criminal records check.

13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the PHA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the PHA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

SDHC Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the SDHC will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 10 business days from the date of the SDHC notice, to dispute the accuracy and relevance of the information. If the family does not contact the SDHC to dispute the information within that 10-business day period, the SDHC will send a lease termination notice to the family and proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine PHA documents directly relevant to the termination or eviction. If the PHA does not make the documents available for examination upon request by the tenant, the PHA may not proceed with the eviction [24 CFR 996.4(m)].

SDHC Policy

If the SDHC offers remote hearings, the notice will also state that the resident may request a remote hearing.

If the SDHC will require that the hearing be conducted remotely, at the time the notice is sent to the resident informing them of the right to request a hearing, the resident will be notified that the hearing will be conducted remotely. The resident will be informed of the processes involved in a remote hearing and that the SDHC will provide technical assistance, if needed, before the hearing.

Further, during the period of time for which HUD determines that a national emergency requires additional time for families to secure funding, all termination notifications for nonpayment of rent must include, at a minimum, the language provided in the Appendix of Notice PIH 2021-29.

When the PHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the PHA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the PHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the PHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or for a drug-related criminal activity on or off the premises.

SDHC Policy

The SDHC will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. The notice will also be sent by certified mail the same day.

All notices of lease termination will include a copy of the forms HUD-5382 and HUD-5380 to accompany the termination notice. Any tenant who claims that the cause for termination involves domestic violence, dating violence, sexual assault, stalking, or human trafficking of which the tenant or affiliated individual of the tenant is the victim

will be given the opportunity to provide documentation in accordance with the policies in sections 13-III.F and 16-VII.D.

Timing of the Notice [24 CFR 966.4(l)(3)(i)]

The PHA must give written notice of lease termination of:

- During the period of time for which HUD determines that a national emergency requires additional time for families to secure federal funding that is available due to a Presidential declaration of a national emergency, at least 30 days from the date the tenant receives the notice in the case of failure to pay rent
- When such emergency is not present, 14 calendar days in the case of failure to pay rent
- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

  If the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened

  If any member of the household has engaged in any drug-related criminal activity or violent criminal activity
- If any member of the household has been convicted of a felony
- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

  SDHC Policy

  The PHA will give written notice of 30 calendar days from the date the tenant receives the notice for nonpayment of rent (during nationwide emergency orders) or 14 calendar days from the date the tenant receives the notice for nonpayment of rent (upon expiration of nationwide emergency orders). For all other lease terminations, the PHA will give 30 days written notice or, if state or local law allows less than 30 days, such shorter notice will be given.

  California law requires that a 60-day written notice of termination (other than for nonpayment of rent, below) be given to residents whose length of residence in the unit exceeds one (1) year.

  For nonpayment of rent, the Notice to Vacate required under state law will be sent immediately upon the expiration of the 14-day (or 30-day) notice for nonpayment of rent.

Notice of Nonrenewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]

When the PHA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

SDHC Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the opportunity to cure by the next biennial reexamination, the family will be issued a notice of termination of tenancy for continued noncompliance, which is a HUD-required termination. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E.

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the PHA's informal hearing procedures.

13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The PHA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

SDHC Policy

When a family does not vacate the unit after receipt of a termination notice by the deadline given in the notice, the SDC will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the SDHC will seek the assistance of the court to remove the family from the premises as per state and local law.

The PHA may not proceed with an eviction action if the PHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the PHA evicts an individual or family for criminal activity, including drug-related criminal activity, the PHA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

SDHC Policy

A written record of every termination and/or eviction will be maintained by the SDHC at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

EXHIBIT 13-1: NOTICE FOR OVER-INCOME FAMILIES – INITIAL NOTIFICATION FOR NPHOI FAMILY OPTION[1]

OVER-INCOME FAMILY INITIAL NOTIFICATION

San Diego Housing Commission (SDHC)

Resident name:

Address:

Date:

Purpose

The purpose of this notice is to inform you that the San Diego Housing Commission (SDHC) has determined that your family's income is above the income limit (over-income) according to federal rules for the public housing program. This is your **initial** (first) notice.

What happens next?

For now, your rent will continue to be calculated as usual, you will continue to be offered a choice between income-based and flat rent, and **you do not have to move**. If your family remains over-income for the following 24 consecutive months, you will no longer be eligible for assistance under the public housing program but may remain in a public housing unit paying an alternative non-public housing rent calculated under federal rules for non-public housing tenants.

If you think that we have made a mistake and your family should not be considered over-income, you may request a hearing by calling or emailing your Property Manager, or requesting more information from PHA staff at your Property Office. If you wish to request a hearing, please do so as soon as possible. If you do not wish to request a hearing, you do not need to do anything at this time.

What about changes to my income?

[1] This sample notice is presented verbatim from HUD's sample forms used in the HOTMA Income and Assets Training Series, available at https://www.hudexchange.info/resource/6849/hotma-sample-notices-for-overincome-families/. Only the formatting has been changed to be consistent with the formatting used throughout this ACOP.

We will continue to reexamine your income every 12 months as usual. After each reexamination, you will receive a notification like this one if your family is still over-income.

If your family's income drops below the over-income limit before the end of the 24 consecutive-month grace period, you will no longer be considered over-income. If your family's income increases again to an amount that is over-income, you will receive another 24 consecutive month grace period.

If your income changes, contact us using the information provided below to learn the policy for requesting an interim reexamination.

What if my family remains over-income in 24 consecutive months?

According to the Continued Occupancy Policy, your family may continue to reside in a public housing unit even if you remain over-income after 24 months. However, your unit will no longer receive assistance from the federal public housing program so your rent will be calculated differently.

If you choose to stay in your unit after remaining over-income for 24 consecutive months, you will:

- Pay an "alternative non-public housing rent" (currently estimated at $_____)
  - The alternative rent is adjusted annually and subject to change.
  - You will receive a notification with more details on what to expect next if you decide to remain in a public housing unit after 24 consecutive months of being over-income.
- Need to sign a new lease for Non-Public Housing Over-Income (NPHOI) families.
  - The NPHOI lease will need to be signed no later than 60 days after receiving notification of the end of the 24-month grace period or at the next lease renewal, whichever is sooner.

[INSERT PHA PROPERTY MANAGER CONTACT INFORMATION]

EXHIBIT 13-2: NOTICE FOR OVER-INCOME FAMILIES – 12-MONTH NOTIFICATION FOR NPHOI FAMILY OPTION[2]

OVER-INCOME FAMILY
12 MONTH NOTIFICATION

San Diego Housing Commission (SDHC)

Resident name:

Address:

Date:

Purpose

The purpose of this notice is to inform you that the San Diego Housing Commission (SDHC) has determined that your family's income is above the income limit (over-income) according to federal rules for public housing. This is your **12-month** (second) notice.

What happens next?

For now, your rent will continue to be calculated as usual, you will continue to be offered a choice between income-based and flat rent, and **you do not have to move**. If your family remains over-income for the following 12 consecutive months, you will no longer be eligible for assistance under the public housing program but may remain in a public housing unit paying an alternative non-public housing rent calculated under federal rules for non-public housing tenants.

If you think that we have made a mistake and your family should not be considered over-income, you may request a hearing by calling or emailing your Property Manager or requesting more information from PHA staff at your Property Office. If you wish to request a hearing, please do so as soon as possible. If you do not wish to request a hearing, you do not need to do anything at this time.

[2] This sample notice is presented verbatim from HUD's sample forms used in the HOTMA Income and Assets Training Series, available at https://www.hudexchange.info/resource/6849/hotma-sample-notices-for-overincome-families/. Only the formatting has been changed to be consistent with the formatting used throughout this ACOP.

What about changes to my income?

We will need to re-examine your income in 12 months. After the reexamination, you will receive a notification like this one if your family is still over-income.

If your family's income drops below the over-income limit before the end of the 24 consecutive-month grace period, you will no longer be considered over-income. If your family's income increases again to an amount that is over-income, you will receive another 24 consecutive month grace period.

If your income changes, contact us using the information provided below to learn the policy for requesting an interim reexamination.

What if my family remains over-income in consecutive 12 months?

According to the Continued Occupancy Policy, your family may continue your tenancy even if you remain over-income for another 12 months (24 consecutive months total). However, your unit will no longer receive assistance from the federal public housing program so your rent will be calculated differently.

If you choose to remain in a public housing unit after the 24 month grace period, you will:

- No longer be a public housing program participant and will therefore not be eligible to participate in the resident council or programs specifically for public housing residents.
- Pay an "alternative non-public housing rent" (currently estimated at $_____)
- Need to sign a new lease

[INSERT PHA PROPERTY MANAGER CONTACT INFORMATION]

EXHIBIT 13-3: NOTICE FOR OVER-INCOME FAMILIES – 24-MONTH NOTIFICATION FOR NPHOI FAMILY OPTION[3]

OVER-INCOME FAMILY
24 MONTH NOTIFICATION

San Diego Housing Commission (SDHC)

Resident name:

Address:

Date:

Purpose

The purpose of this notice is to inform you that the San Diego Housing Commission (SDHC) has determined that your family's income is above the income limit (over-income) according to federal rules for public housing. This is your **24-month** (third) notice.

You are no longer eligible for assistance under the public housing program. However, you do not have to move – see below for details.

What if I disagree that my family is over-income?

If you think that we have made a mistake and your family should not be considered over-income, you may request a hearing by calling or emailing your Property Manager or requesting more information from PHA staff at your Property Management Office. If you wish to request a hearing, please do so as soon as possible.

What about changes to my income?

Changes to your income after you receive this notice will not change our determination. Because your family has been over-income for 24 months, you are no longer eligible for assistance under the public housing program.

What do I need to do now?

[3] This sample notice is presented verbatim from HUD's sample forms used in the HOTMA Income and Assets Training Series, available at https://www.hudexchange.info/resource/6849/hotma-sample-notices-for-overincome-families/. Only the formatting has been changed to be consistent with the formatting used throughout this ACOP.

According to the Continued Occupancy Policy, your family may continue your tenancy. However, because you will not receive assistance from the federal public housing program, your rent will be calculated differently.

If you choose to remain in a public housing unit, you will:

- Pay an "alternative non-public housing rent" (currently $_____)
- Need to sign a new lease within 60 days or at your next lease renewal (whichever is sooner)

If the lease is not signed within this time period, the PHA must terminate your tenancy by ____ *[no more than 6 months after this notification]*. However, per policy, the SDHC may permit an over-income family to execute the lease after this period (up to 60 days), but before termination of the tenancy. In this case, the family must pay the total difference between the alternative non-public housing rent and your public housing rent dating back to the date when you were required to execute the lease.

If you choose to leave your unit, please inform us as soon as possible according to your existing lease.

To inform the PHA if you do not plan to remain in a public housing unit*: [Use this space to detail when and how the family can inform the PHA if they decline to stay in the unit.]*

[INSERT PHA PROPERTY MANAGER CONTACT INFORMATION]

Chapter 14
GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to PHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the PHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure. A sample grievance procedure is provided as Exhibit 14-1. However, please note that the procedure provided is only a sample and is designed to match up with the default policies in the model ACOP. As such, the PHA would need to modify accordingly should any alternative policy decisions be adopted.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the PHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the PHA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the PHA grievance procedures [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

Use of Informal Hearing Process

While the PHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the PHA could make the informal hearing process available to applicants who wish to dispute other PHA actions that adversely affect them.

SDHC Policy

The SDHC will only offer informal hearings to applicants for the purpose of disputing denials of admission.

Notice of Denial [24 CFR 960.208(a)]

The PHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

SDHC Policy

As applicable, the SDHC's notice of denial will include information about required or requested remote informal hearings.

When denying eligibility for admission, the PHA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Reauthorization Act of 2013, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of the denial of eligibility determination.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling an Informal Hearing

SDHC Policy

A request for an informal hearing must be made in writing and delivered to the SDHC either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the SDHC's notification of denial of admission.

The SDHC will schedule and send written notice of the informal hearing within 10 business days of the family's request.

If the SDHC informal hearing will be conducted remotely, at the time the notice is sent to the family, the family will be informed:

Regarding the processes involved in a remote informal hearing;

That the SDHC will provide technical assistance prior to and during the informal hearing, if needed; and

That if the family or any individual witness has any technological, resource, or accessibility barriers preventing them from fully accessing the remote informal hearing, the family may inform the SDHC and the SDHC will assist the family in either resolving the issues or allow the family to participate in an in-person informal hearing, as appropriate.

Conducting an Informal Hearing [PH Occ GB, p. 58]

SDHC Policy

The informal hearing will be conducted by a Regional Supervisor or another SDHC representative who is not: 1) the person who made or approved the decision under review or 2) a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the SDHC.

The person conducting the informal hearing will make a recommendation to the SDHC, but the SDHC is responsible for making the final decision as to whether admission should be granted or denied.

Remote Informal Hearings [Notice PIH 2020-32]

There is no requirement that informal hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their informal hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote informal hearings, applicants may still request an in-person informal hearing, as applicable.

SDHC Policy

The SDHC has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the SDHC will conduct an informal hearing remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal hearing, or if the applicant believes an in-person informal hearing would create an undue health risk. The SDHC will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Ensuring Accessibility for Persons with Disabilities and LEP Individuals

As with in-person informal hearings, the platform for conducting remote informal hearings must be accessible to persons with disabilities and the informal hearing must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote informal hearings.

If no method of conducting a remote informal hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote informal review, and the PHA should consider whether postponing the remote informal hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances and requirements.

As with in-person hearings, Limited English Proficiency (LEP) requirements also apply to remote informal hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote informal hearings.

Conducting Remote Informal Hearings [Notice PIH 2020-32]

The PHA must ensure that the lack of technology or inability to use technology for remote informal hearings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote informal hearing and, if the family does not have the proper technology to fully participate, either postpone the informal hearing or provide an alternative means of access.

As with in-person informal hearings, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote informal hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA must ensure that the applicant has the right to hear and be heard. All PHA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 966.56 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

SDHC Policy

The SDHC will conduct remote informal hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, applicants are unable to adequately access the video conferencing platform at any point, or upon applicant request, the informal hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote informal hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote hearing, the SDHC will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify the SDHC of any known barriers. The SDHC will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

If the informal hearing is to be conducted remotely, the SDHC will require the family to provide any documents directly relevant to the informal hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. The SDHC will scan and email copies of these documents to the SDHC representative and to the person conducting the informal hearing the same day.

Documents will be shared electronically whenever possible.

The SDHC will follow up the email with a phone call and/or email to the applicant at least one business day prior to the remote informal hearing to ensure that the applicant received all information and is comfortable accessing the video conferencing or call-in platform.

The SDHC will ensure that all electronic information stored or transmitted with respect to the informal hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

Informal Hearing Decision [PH Occ GB, p. 58]

SDHC Policy

The SDHC will notify the applicant of the SDHC's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the SDHC will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in SDHC policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The SDHC will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the SDHC will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the SDHC will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The SDHC will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the PHA must consider such accommodations. The PHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal

of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and proof of mailing.

SDHC Policy

The SDHC will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the SDHC with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

SDHC Policy

The SDHC will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of

the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

SDHC Policy

The family will be allowed, at the family's request, to copy any documents related to the hearing at no cost. The family must request discovery of SDHC documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. The PHA is obligated to provide a competent interpreter, free of charge, upon request. The family may also provide its own interpreter, at the expense of the family, but in this case, the PHA will also provide a competent third-party interpreter.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

SDHC Policy

The SDHC will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The PHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

PHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any PHA action or failure to act involving the lease or PHA policies which adversely affect their rights, duties, welfare, or status. The PHA must not only meet the minimal procedural due process requirements provided under the regulations, but must also meet any additional requirements imposed by local, state or federal law.

The PHA grievance procedure must be included in, or incorporated by reference in, the lease.

SDHC Policy

The SDHC grievance procedure will be incorporated by reference in the tenant lease.

The PHA must provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the PHA grievance procedure, and provide an opportunity to present written comments. Comments submitted must be considered by the PHA before adoption of any changes to the grievance procedure by the PHA.

SDHC Policy

Residents and resident organizations will have 30 calendar days from the date they are notified by the SDHC of any proposed changes in the SDHC grievance procedure, to submit written comments to the SDHC.

The PHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant's lease or PHA regulations which adversely affect the individual tenant's rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the PHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Expedited Grievance** – a procedure established by the PHA for any grievance or termination that involves:
  - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment or the PHA's public housing premises by other residents or employees of the PHA; or
  - Any drug-related criminal activity on or off the premises
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which 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 PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
  - A decision on the merits
- **Hearing Officer/Panel** – an impartial person or persons selected by the PHA, other than the person who made or approved the decision under review, or a subordinate of that person. The individual or individuals do not need legal training.
- **Tenant** – the adult person (or persons) (other than a live-in aide)
  - Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
  - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Grievances could potentially address most aspects of a PHA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the PHA. It is not applicable to disputes between tenants not involving the PHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the PHA.

If HUD has issued a due process determination, a PHA may exclude from the PHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the PHA;
- Any violent or drug-related criminal activity on or off such premises; or
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, PHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, with the following exception: PHAs may use expedited grievance procedures for the excluded categories listed above. These expedited grievance procedures are described in Section 14-III.E. below.

If HUD has issued a due process determination, the PHA may evict through the state/local judicial eviction procedures. In this case, the PHA is not required to provide the opportunity for a hearing under the PHA's grievance procedure as described above.

SDHC Policy

HUD has issued a due process determination for the state of California. Therefore, the SDHC will exclude from the SDHC grievance any grievance concerning a termination of tenancy that involves:

- Nonpayment of rent
- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the SDHC
- Any violent or drug-related criminal activity on or off such premises
- Any criminal activity that resulted in felony conviction of a household member

For termination actions above, the SDHC's termination notice will inform the family of HUD due process determination, that the right to request a grievance hearing is excluded, and how to proceed with judicial review.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the PHA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

SDHC Policy

The SDHC will accept requests for an informal settlement of a grievance either orally or in writing, to the SDHC office within 10 business days of the grievable event. Within 10 business days of receipt of the request the SDHC will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant. The informal settlement may be conducted remotely as required by the PHA or may be conducted remotely upon consideration of the request of the tenant. See 14-III.G for information on how and under what circumstances remote informal settlements may be conducted.

If a tenant fails to attend the scheduled meeting without prior notice, the SDHC will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the PHA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

SDHC Policy

The summary must specify the names of the participants – to include the Property Manager, the Regional Supervisor, and the Housing Specialist - dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

The SDHC will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the SDHC's tenant file.

For PHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

14-III.E. PROCEDURES TO OBTAIN A HEARING

Requests for Hearing and Failure to Request

SDHC Policy

The resident must submit a written request for a grievance hearing to the SDHC within 5 business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the SDHC's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the SDHC's action in disposing of the complaint in an appropriate judicial proceeding.

Scheduling of Hearings [24 CFR 966.56(a)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the PHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate PHA official.

SDHC Policy

Within 10 business days of receiving a written request for a hearing, the SDHC will schedule and send written notice of the hearing to the complainant and the hearing officer.

If the SDHC hearing will be conducted remotely, at the time the notice is sent to the family, the family will be notified:

- Regarding the processes involved in a remote grievance hearing;
- That the SDHC will provide technical assistance prior to and during the hearing, if needed; and
- That if the family or any individual witness has any technological, resource, or accessibility barriers, the family may inform the SDHC and the SDHC will assist the family in either resolving the issue or allow the family to participate in an in-person hearing, as appropriate.

The PHA may wish to permit the tenant to request to reschedule a hearing for good cause.

SDHC Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the SDHC may request documentation of the "good cause" prior to rescheduling the hearing.

14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.53(e)]

The grievance hearing must be conducted by an impartial person or persons appointed by the PHA, other than the person who made or approved the PHA action under review, or a subordinate of such person. The PHA must describe their policies for selection of a hearing officer in their lease.

SDHC Policy

SDHC grievance hearings will be conducted by a single hearing officer and not a panel. The SDHC will select, as hearing officers, persons other than the person who made or approved the SDHC action under review, or a subordinate of such person.

PHAs must describe their policies for selection of a hearing officer in their lease forms. Changes to the public housing lease are subject to a 30-day comment period (24 CFR 966.4).

14-III.G. REMOTE HEARINGS [Notice PIH 2020-32]

There is no requirement that grievance hearings be conducted in-person, and as such, HUD allows PHAs to conduct all or a portion of their grievance hearings remotely either over the phone, via video conferencing, or through other virtual platforms. If the PHA chooses to conduct remote grievance hearings, applicants may still request an in-person hearing, as applicable.

SDHC Policy

The SDHC has the sole discretion to require that hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the SDHC will conduct a hearing remotely upon request as a reasonable accommodation for a person with a disability, if a tenant does not have child care or transportation that would enable them to attend the hearing, or if the tenant believes an in-person hearing would create an undue health risk. The SDHC will consider other reasonable requests for a remote hearing on a case-by-case basis.

Discovery of Documents Before the Remote Hearing

SDHC Policy

If the hearing will be conducted remotely, the SDHC will compile a hearing packet, consisting of all documents the SDHC intends to produce at the hearing. The SDHC will mail copies of the hearing packet to the tenant, the tenant's representatives, if any, and the hearing officer at least three days before the scheduled remote hearing. The original hearing packet will be in the possession of the SDHC representative and retained by the SDHC.

If the hearing is to be conducted remotely, the SDHC will require the resident to provide any documents directly relevant to the hearing at least 24 hours before the scheduled hearing through the mail, via email, or text. The SDHC will scan and email copies of these documents to the hearing officer and the SDHC representative the same day they are received.

Documents will be shared electronically whenever possible.

Ensuring Accessibility for Persons with Disabilities ad LEP Individuals

As with in-person grievance hearings, the platform for conducting remote grievance hearings must be accessible to persons with disabilities and the grievance hearings must be conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual. PHAs may never request or require that individuals with disabilities provide their own auxiliary aids or services, including for remote grievance hearings.

If no method of conducting a remote grievance hearing is available that appropriately accommodates an individual's disability, the PHA may not hold against the individual their inability to participate in the remote grievance hearing, and the PHA should consider whether postponing the remote hearing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation will depend on the specific circumstances and requirements.

As with in-person reviews, Limited English Proficiency (LEP) requirements also apply to remote grievance hearings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote grievance hearings.

Conducting Hearings Remotely

The PHA must ensure that the lack of technology or inability to use technology for remote grievance hearings does not pose a disadvantage to families that may not be apparent to the PHA. The PHA should determine through a survey or other means if these barriers exist prior to conducting the remote grievance hearing and, if the family does not have the proper technology to fully participate, either postpone the hearing or provide an alternative means of access.

As with in-person grievance hearings, the PHA must provide all materials presented, whether paper or electronic, to the family prior to the remote grievance hearing. The family must also be provided with an accessible means by which to transmit their own evidence.

The PHA's essential responsibility is to ensure grievance hearings meet the requirements of due process and comply with HUD regulations. Therefore, all PHA policies and processes for remote grievance hearings will be conducted in accordance with due process requirements and will be in compliance with HUD regulations at 24 CFR 966.56 and the guidance for conducting remote hearings specified in Notice PIH 2020-32.

SDHC Policy

The SDHC will conduct remote grievance hearings via a video conferencing platform, when available. If, after attempting to resolve any barriers, participants are unable to adequately access the video conferencing platform at any point, or upon request, the grievance hearing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in at any point, the remote grievance hearing will be postponed, and an in-person alternative will be provided promptly within a reasonable time.

At least five business days prior to scheduling the remote hearing, the SDHC will provide the family with login information and/or conferencing call-in information and an electronic copy of all materials being presented via first class mail and/or email. The notice will advise the family of technological requirements for the hearing and request the family notify the SDHC of any known barriers. The SDHC will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person hearing.

The SDHC will follow up with a phone call and/or email to the family at least one business day prior to the remote grievance hearing to ensure that the family received all information and is comfortable accessing the video conferencing or call-in platform.

The SDHC will ensure that all electronic information stored or transmitted with respect to the grievance hearing is secure, including protecting personally identifiable information (PII), and meets the requirements for accessibility for persons with disabilities and persons with LEP.

14-III.H. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any PHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may not rely on such document at the grievance hearing.

  SDHC Policy

  The SDHC hearing packet will be provided to the family, the hearing officer and the SDHC representative no later than three business days prior to the hearing.

- The right to be represented by counsel or other person chosen to represent the tenant, and to have such person make statements on the tenant's behalf.

  SDHC Policy

  Hearings may be attended by the following applicable persons:

  A SDHC representative(s) and any witnesses for the SDHC

  The tenant and any witnesses for the tenant

  The tenant's counsel or other representative

  Any other person approved by the SDHC as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Failure to Appear [24 CFR 966.56(c)]

If the complainant or the PHA fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for no more than five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant

and the PHA must be notified of the determination by the hearing officer/panel, provided that a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

SDHC Policy

A hearing is deemed abandoned if the tenant fails to appear within 30 minutes of the scheduled hearing.

Should SDHC determine the hearing "abandoned", a letter will be sent to the tenant stating the hearing was abandoned. The tenant has five business days to demonstrate, in writing, good cause that the hearing should not be considered abandoned and request another hearing. "Good cause" is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family.

Should the tenant fail to contact SDHC within five business days, the SDHC will follow through with the intended action.

General Procedures [24 CFR 966.56(e), (f) and (g)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the PHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed [24 CFR 966.56(d)].

The hearing is conducted informally by the hearing officer/panel. The PHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial hearings [24 CFR 966.56(f)].

SDHC Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, such as a letter written to the PHA; writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof

Demonstrative evidence: evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart, or other diagram

Real evidence: a tangible item relating directly to the case

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the SDHC fails to comply with the discovery requirements (providing the tenant with the opportunity to examine SDHC documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the SDHC to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The complainant or the PHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)].

SDHC Policy

If the complainant would like the SDHC to record the proceedings by audiotape, the request must be made to the SDHC by 12:00 p.m. on the business day prior to the hearing.

The SDHC will consider that an audio tape recording of the proceedings is a transcript.

Accommodations of Persons with Disabilities [24 CFR 966.56(f)]

The PHA must 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 tenant is visually impaired, any notice to the tenant which is required in the grievance

process must be in an accessible format.

See Chapter 2 for a thorough discussion of the PHA's responsibilities pertaining to reasonable accommodation.

Limited English Proficiency (24 CFR 966.56(g)

The PHA must comply with HUD's LEP Final Rule in providing language services throughout the grievance process.

14-III.H. DECISION OF THE HEARING OFFICER [24 CFR 966.57]

The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the complainant and the PHA. The PHA must retain a copy of the decision in the tenant's folder. A log of all hearing officer decisions must also be maintained by the PHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].

SDHC Policy

In rendering a decision, the hearing officer will consider the following matters:

SDHC Notice to the Family: The hearing officer will determine if the reasons for the PHA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with SDHC Policy.

SDHC Evidence to Support the SDHC Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the SDHC's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and SDHC policies. If the grounds for termination are not specified in the regulations or in compliance with SDHC policies, then the decision of the SDHC will be overturned.

The hearing officer will issue a written decision to the family and the SDHC no later than 20 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the complainant

Date, time, and place of the hearing

Name of the hearing officer

Name of the SDHC representative(s)

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the SDHC's decision.

Order: The hearing report will include a statement of whether the SDHC's decision is upheld or overturned.

If the SDHC's decision is overturned:

The hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination.

For a termination action, the hearing officer will instruct the SDHC to restore the family's status.

If the SDHC's decision is upheld:

The SDHC will follow through with the intended action.

The tenant shall be advised of the right to obtain judicial review of the decision under California Code of Civil Procedures.

Procedures for Further Hearing

SDHC Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the hearing is reconvened, all parties are allowed to present additional information before the deadline. A reconvened hearing may or may not require physical presence, at the discretion of the hearing officer.

If the family misses an appointment or deadline ordered by the hearing officer, the action of the SDHC will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer is binding on the PHA which must take the action, or refrain from taking the action cited in the decision unless the PHA Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA

SDHC Policy

When the SDHC considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the SDHC Board of Commissioners at the next regularly-scheduled meeting after the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, the SDHC must notify the complainant within 10 business days of this decision.

A decision by the hearing officer or Board of Commissioners in favor of the PHA. or which denies the relief requested by the complainant in whole or in part, must not constitute a waiver of any rights, nor affect in any manner whatever, any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

Chapter 15
PROGRAM INTEGRITY

INTRODUCTION

The PHA is committed to ensuring that funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and program abuse. PHAs are required to use the EIV system at reexamination in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and residents with form HUD-52675, "Debts Owed to PHAs and Terminations"
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

SDHC Policy

The SDHC anticipates that the vast majority of families and SDHC employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the SDHC's program is administered effectively and according to the highest ethical and legal standards, the SDHC will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The SDHC will provide each applicant and resident with a copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The SDHC will provide each applicant and resident with a copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12. In addition, the SDHC will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The SDHC will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The SDHC will discuss program compliance and integrity issues.

The SDHC will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

SDHC staff will be required to review and explain the contents of all HUD- and SDHC-required forms prior to requesting family member signatures.

The SDHC will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key SDHC forms and form letters that request information from a family member.

The SDHC will provide each SDHC employee with the necessary training on program rules and the organization's standards of conduct and ethics.

At every regular reexamination, the SDHC staff will explain any changes in HUD regulations or SDHC policy that affect residents.

For purposes of this chapter the term *error* refers to an unintentional error or omission. P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

SDHC Policy

The SDHC will employ a variety of methods to detect errors and program abuse, including:

The SDHC routinely will use EIV and other non-HUD sources of up-front income verification. This includes the Work Number and any other private or public databases available to the SDHC.

At each reexamination, current information provided by the family will be compared to information provided at the last reexamination to identify inconsistencies and incomplete information.

The SDHC will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

Notice PIH 2015-16 requires all PHAs that expend $750,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

SDHC Policy

The SDHC will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the SDHC's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

SDHC Policy

The SDHC will encourage staff, residents, and the public to report possible program abuse.

15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the PHA Will Investigate

SDHC Policy

The SDHC will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals to determine if they warrant investigation. In order for the SDHC to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The SDHC will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require families to sign consent forms for the release of additional information.

Analysis and Findings

SDHC Policy

The SDHC will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the SDHC will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the SDHC, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

SDHC Policy

In the case of family-caused errors or program abuse, the SDHC will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

SDHC Policy

The SDHC will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the SDHC determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15-II.A. UNDER OR OVERPAYMENT

An under or overpayment includes an incorrect tenant rent payment by the family or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the PHA must promptly correct the tenant rent and any utility reimbursement prospectively.

SDHC Policy

Increases in the tenant rent will be implemented on the first of the month following a written 30-day notice. Per California state law, any increases of 10% or more will be implemented on the first of the month following a written 60-day notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the PHA or the PHA is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

Family Reimbursement to PHA

SDHC Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The SDHC may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the SDHC will terminate the family's lease in accordance with the policies in Chapter 13.

PHA Reimbursement to Family

SDHC Policy

The SDHC will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the PHA [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

SDHC Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the SDHC Board of Commissioners, employees, contractors, or other SDHC representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the SDHC on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The SDHC may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family, the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to PHA).
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The PHA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15-II.C. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

De Minimis Errors [24 CFR 5.609(c)(4); Notice PIH 2023-27]

The PHA will not be considered out of compliance when making annual income determinations solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA determination of family income deviates from the correct income determination by no more than $30 per month in monthly adjusted income ($360 in annual adjusted income) per family.

PHAs must take corrective action to credit or repay a family if the family was overcharged rent, including when PHAs make de minimis errors in the income determination. Families will not be required to repay the PHA in instances where the PHA miscalculated income resulting in a family being undercharged for rent. PHAs state in their policies how they will repay or credit a family the amount they were overcharged as a result of the PHA's de minimis error in income determination.

Reimbursement Policy When Housing Commission Error

For every change in the rent, SDHC will provide the participant with an updated rent portion letter. The letter will give information regarding the method for calculating the rent and it will allow 30 calendar days to dispute the calculation.

Once the SDHC becomes aware of the existence of an income calculation error, the error(s) will be corrected retroactive to the effective date of the action resulting in an error regardless of the dollar amount associated with the error. Families will not be required to repay SDHC in instances where SDHC miscalculated income resulting in a family being undercharged for rent. Once SDHC becomes aware of the error the family will be provided with a 30-day notice of the increase to their rent portion.

SDHC will take corrective action to credit or repay a family if the family was overcharged tenant rent, including di minimis errors, in the income determination. SDHC will send a rent portion letter to the family and the landlord prior to the change in payments notifying them of the change and the duration of the change.

Repayment to the PHA

The family is not required to repay an underpayment of rent if the error or program abuse is caused by PHA staff.

Prohibited Activities

SDHC Policy

Any of the following will be considered evidence of program abuse by SDHC staff:

Failing to comply with any public housing program requirements for personal gain

Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the SDHC

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of SDHC activities, policies, or practices

Misappropriating or misusing public housing funds

Destroying, concealing, removing, or inappropriately using any records related to the public housing program

Committing any other corrupt or criminal act in connection with any federal housing program

Committing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation or gender identity, either quid pro quo (supervisory harassment) or hostile environment

Allowing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation or gender identity, either quid pro quo (supervisory harassment) or hostile environment, where the SDHC knew or should have known such harassment was occurring

Retaliating against any applicant, resident, or staff reporting sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation or gender identity, either quid pro quo (supervisory harassment) or hostile environment.

15-II.D. CRIMINAL PROSECUTION

SDHC Policy

When the SDHC determines that program abuse by a family or SDHC staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the SDHC will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

PHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family, may retain 100 percent of program funds that the PHA recovers [Notice PIH 2007-27 (HA)].

If the PHA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the PHA's grievance process.

Chapter 16
PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of PHA-furnished utilities.

Part II: Establishing Flat Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the PHA will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (PHAS). This part describes the PHAS indicators, how PHAs are scored under PHAS, and how those scores affect a PHA.

Part V: Record Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VI: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's reporting responsibilities related to children with elevated blood lead levels that are living in public housing.

Part VII: Violence against Women Act (VAWA): Notification, Documentation, and Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking; and maintaining the confidentiality of information obtained from victims.

PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

16-I.A. OVERVIEW

PHAs must establish allowances for PHA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

PHAs must also establish surcharges for excess consumption of PHA-furnished utilities [24 CFR 965.506].

The PHA must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

16-I.B UTILITY ALLOWANCES

The PHA must establish separate allowances for each utility and for each category of dwelling units the PHA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a PHA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the PHA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

SDHC Policy

Per the SDHC's MTW Plan, SDHC will annually set a standardized utility schedule, with the average allowance based upon the unit bedroom size.

The schedule of utility allowances will be posted in an accessible and conspicuous location in each development with public housing units.

Air-Conditioning

If a PHA installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident

option, residents are not to be charged, and these systems should be avoided whenever possible. [24 CFR 965.505(e)]

SDHC Policy

The SDHC has installed air-conditioning in some public housing units.

Utility Allowance Revisions [24 CFR 965.507]

The PHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The PHA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

SDHC Policy

Between annual reviews of utility allowances, the SDHC will only revise its utility allowances due to a rate change, when required to by the regulation.

16-I.C. SURCHARGES FOR PHA-FURNISHED UTILITIES [24 CFR 965.506]

For dwelling units subject to allowances for PHA-furnished utilities where check meters have been installed, the PHA must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption and must be based on the PHA's average utility rate. The basis for calculating the surcharges must be described in the PHA's schedule of allowances. Changes in the amount of surcharges based directly on changes in the PHA's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by PHA-furnished utilities where check meters have not been installed, the PHA must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of PHA-furnished equipment. The surcharge schedule must state the resident-owned equipment (or functions of PHA-furnished equipment) for which surcharges will be made and the amounts of such charges. Surcharges must be based on the cost to the PHA of the utility consumption estimated to be attributable to reasonable usage of such equipment.

SDHC Policy

The SDHC does not have SDHC-furnished utilities.

16-I.D. NOTICE REQUIREMENTS [965.502]

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

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

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

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

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

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

PART II: ESTABLISHING FLAT RENTS

16-II.A. OVERVIEW

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

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

This part discusses how the PHA establishes and updates flat rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and proration of rent for a mixed family are discussed in Chapter 6.

16-II.B. FLAT RENTS (24 CFR 960.253(b)]

SDHC Policy

Under SDHC's MTW Plan, flat rents have been eliminated in order to facilitate the implementation of Path to Success for public housing residents.

However, the flat rent, which is 80% of the FMR for each bedroom size, as published by HUD, is used as the public housing maximum rent for prorating assistance to mixed families. See Chapter 6-III-D.

PART III: FAMILY DEBTS TO THE PHA

16-III.A. OVERVIEW

Families are required to reimburse the PHA if they were charged less rent than required because the family either underreported or failed to report income. PHAs are required to determine retroactive rent amounts as far back as the PHA has documentation of family unreported income [Notice PIH 2018-18].

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

SDHC Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the SDHC holds the family liable to return any underpayments to the SDHC.

The SDHC will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

16-III.B. REPAYMENT POLICY

Family Debts to the PHA

SDHC Policy

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

Refusal to Enter into an Agreement

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the SDHC will terminate the family's tenancy.

When a family refuses to repay monies owed to the SDHC, in addition to termination of program assistance, the SDHC will utilize other available collection alternatives including, but not limited to, the following:

Collection agencies

Small claims court

Civil lawsuit

State income tax set-off program

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines

Down Payment Requirement

SDHC Policy

Before executing a repayment agreement with a family, the SDHC will generally require a down payment of 10 percent of the total amount owed. If the family can provide evidence satisfactory to the SDHC that a down payment of 10 percent would impose an undue hardship, the SDHC may, in its sole discretion, require a lesser percentage or waive the down payment requirement.

Payment Thresholds

Notice PIH 2018-18 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income, which is considered "affordable." Moreover, Notice PIH 2018-18 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

SDHC Policy

The minimum monthly payment amount will be $25.

If a family can provide evidence satisfactory to the SDHC that a monthly payment amount of $25 would impose an undue hardship, the SDHC may, in its sole discretion, require a lower monthly payment amount.

If the family's income increases or decreases during the term of a repayment agreement, either the SDHC or the family may request that the monthly payment amount be adjusted accordingly.

Execution of the Agreement

All repayment agreements must be in writing, dated, and signed by both the family and the PHA [Notice PIH 2018-18].

SDHC Policy

Any repayment agreement between the SDHC and a family must be approved by the housing supervisor and signed and dated by the SDHC and by the head of household and spouse/cohead (if applicable).

Due Dates

SDHC Policy

All payments are due with the monthly rental payment and considered late if not received by close of business day on the fifth day of the month.

Late or Missed Payments

SDHC Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the SDHC, the SDHC will send the family a delinquency notice giving the family 14 business 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 the SDHC will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the SDHC will terminate tenancy in accordance with the policies in Chapter 13.

No Offer of Repayment Agreement

SDHC Policy

The SDHC will not enter into a repayment agreement:

If there is already a repayment agreement in place with the family.

If the SDHC determines that the family committed program fraud.

If the amount owed by the family exceeds federal or state threshold

for criminal prosecution

If SDHC determines that the debt is larger than can be reasonably paid back by the family within 12 months.

Repayment Agreements Involving Improper Payments

All repayment agreements must be in writing, dated, signed by both the family and the PHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. Notice PIH 2018-18 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the public housing lease that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the PHA the monthly tenant rent
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (PHAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among PHAs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

SDHC Policy

MTW agencies are not subject to PHAS. However, public housing units are inspected and scored under Indicator 1, Physical Condition.

The objective of the physical condition indicator is to determine the level to which a PHA is maintaining its public housing in accordance with the standard of safe, habitable dwelling units.

To determine the physical condition of a PHA's projects, inspections are performed using the National Standards for the Inspection of Real Estate (NSPIRE). The inspections are performed by an independent inspector arranged by HUD and include a statistically valid sample of the units in each project in the PHA's public housing portfolio.

PART V: RECORD KEEPING

16-V.A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights, and that comply with VAWA 2013 confidentiality requirements.

16-V.B. RECORD RETENTION

The PHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

The PHA must maintain Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy but for a period not to exceed three years from the EOP date [Notice PIH 2018-18].

Notice PIH 2014-20 requires the PHA to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

The PHA must keep confidential records of all emergency transfer requested under the PHA's Emergency Transfer Plan, and the outcomes of such requests, and retain the records for a period of three years, or for a period of time as specific in program regulations [24 CFR 5.2002(e)(12)].

SDHC Policy

During the term of each public housing tenancy, and for at least four years thereafter, the SDHC will keep all documents related to a family's eligibility, tenancy, and termination.

The PHA will keep Enterprise Income Verification (EIV) system Income Reports in the tenant file for the duration of the tenancy and for three years from the end of participation date.

In addition, the SDHC will keep the following records for at least three years:

- An application from each ineligible family and notice that the applicant is not eligible
- Lead-based paint records as required by 24 CFR 35, Subpart B
- Documentation supporting the establishment of utility allowances and surcharges
- Accounts and other records supporting SDHC budget and financial statements for the program
- Complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule
- Confidential records of all emergency transfers related to VAWA requested under the SDHC's Emergency Transfer Plan and the outcomes of such requests

Other records as determined by the SDHC or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

16-V.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

SDHC Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized SDHC staff.

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

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

SDHC Policy

The PHA has adopted and implemented EIV security procedures required by HUD.

Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking Records

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking, see section 16-VII.E.

PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL

16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e); Notice PIH 2017-13]

The PHA has certain responsibilities relative to children with elevated blood lead levels that are living in public housing.

The PHA must report the name and address of a child identified as having an elevated blood lead level (EBLL) to the public health department within five business days of being so notified by any other medical health care professional. The PHA must also report each known case of a child with an EBLL to the HUD field office.

SDHC Policy

The SDHC will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level.

The SDHC will provide written notice of each known case of a child with an EBLL to the HUD field office, and to HUD's Office of Lead Hazard Control (OLHCHH), within five business days of receiving the information.

PART VII: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, AND CONFIDENTIALITY

16-VII.A. OVERVIEW

The Violence against Women Reauthorization Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking who are applying for or receiving assistance under the public housing program. If your state or local laws provide greater protection for such victims, those apply in conjunction with VAWA.

- Although the VAWA 2022 statute does not specifically include human trafficking in the list of victims protected under VAWA, in 2022 HUD began including human trafficking as part of the list of victims protected under VAWA (as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24). In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, this policy includes human trafficking in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located in Chapter 3, "Eligibility" (sections 3-I.C and 3-III.F); Chapter 5, "Occupancy Standards and Unit Offers" (section 5-II.D); Chapter 8, "Leasing and Inspections" (section 8-I.B); Chapter 12, "Transfer Policy" (sections 12-III.C, 12-III.F, and 12-IV.D); and Chapter 13, "Lease Terminations" (sections 13-III.F and 13-IV.D).

16-VII.B. DEFINITIONS [24 CFR 5.2003, FR Notice 8/6/13]

As used in VAWA:

- The term *affiliated individual* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, 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 the victim of domestic violence, dating violence, sexual assault, or stalking.
- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- 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 *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including

verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

- The term *economic abuse* means behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitled, including using coercion, fraud, and manipulation to:
  - Restrict a person's access to money, assets, credit, or financial information
  - Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage
  - Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty
- The term *sexual assault* means:
  - Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks the capacity to consent
- The term *stalking* means:
  - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for their safety or the safety of others, or suffer substantial emotional distress.
- The term *technological abuse* means an act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:
  - Internet enabled devices
  - Online spaces and platforms
  - Computers
  - Mobile devices
  - Cameras and imaging programs
  - Apps
  - Location tracking devices
  - Communication technologies
  - Any other emergency technologies

16-VII.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its public housing program are aware of their rights under VAWA.

SDHC Policy

The SDHC will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A notice of occupancy rights under VAWA to public housing program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380, see Exhibit 16-1)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (see Exhibit 16-2)

A copy of the SDHC's emergency transfer plan (Exhibit 16-3)

A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383 (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 16-1)

Contact information for local victim advocacy groups or service providers

Notification to Applicants and Tenants [24 CFR 5.2005(a)(1)]

PHAs are required to inform public housing applicants and tenants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

The PHA must distribute a notice of VAWA rights (HUD-5380), along with the VAWA self-certification form (HUD-5382) at each of these three junctures.

SDHC Policy

The VAWA information provided to applicants and participants will consist of the notices in Exhibit 16-1 and 16-2.

The SDHC will provide all applicants with information about VAWA at the time they request an application for housing assistance. The SDHC will also include such information in all notices of denial of assistance (see section 3-III.F).

The SDHC will provide all tenants with information about VAWA at the time of admission (see section 8-I.B) and at biennial reexamination. The SDHC will also include such information in all lease termination notices (see section 13-IV.D).

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a tenant following an incident of domestic violence, Notice PIH 2006-42 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

SDHC Policy

Whenever the SDHC has reason to suspect that providing information about VAWA to a public housing tenant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the SDHC may decide not to send mail regarding VAWA protections to the victim's unit if the SDHC believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the SDHC will take reasonable precautions to ensure that no one can overhear the conversation such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

16-VII.D. DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, or stalking, human trafficking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

(1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.

(2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record

(3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, stalking, or human trafficking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA 2005 final rule].

SDHC Policy

Any request for documentation of domestic violence, dating violence, sexual assault, stalking, or human trafficking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The SDHC may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the SDHC will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the SDHC will be in writing.

Once the victim provides documentation, the SDHC will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. The PHA must honor any court orders issued to protect the victim or to address the distribution of property. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

SDHC Policy

If presented with conflicting certification documents from members of the same household (two or more forms HUD-5382), the SDHC will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made. When requesting third-party documents, the SDHC will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If the SDHC does not receive third-party documentation within the required timeframe (and any extensions) the SDHC will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the SDHC will hold separate informal hearings for the applicants or grievance hearings for the tenants.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

SDHC Policy

If the SDHC accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the SDHC will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-VII.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the PHA regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

SDHC Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the SDHC will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

EXHIBIT 16-1: NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE AGAINST WOMEN ACT, FORM HUD-5380

San Diego Housing Commission (SDHC)

Notice of Occupancy Rights under the Violence Against Women Act[1]

To all Tenants and Applicants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.[2] The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that public housing is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA."

Protections for Applicants

If you otherwise qualify for assistance under public housing, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Protections for Tenants

If you are receiving assistance under public housing, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under public housing solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

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[1] Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

[2] Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Removing the Abuser or Perpetrator from the Household

The SDHC may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If the SDHC chooses to remove the abuser or perpetrator, the SDHC may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, the SDHC must allow the tenant who is or has been a victim and other household members to remain in the unit for 30 days, in order to establish eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, the SDHC must follow Federal, State, and local eviction procedures. In order to divide a lease, the SDHC may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

Moving to Another Unit

Upon your request, the SDHC may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, the SDHC may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the SDHC may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

1. **You are a victim of domestic violence, dating violence, sexual assault, or stalking.** If the SDHC does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, the SDHC may ask you for such documentation, as described in the documentation section below.
2. **You expressly request the emergency transfer.** The SDHC may choose to require that you submit a form, or may accept another written or oral request.
3. **You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

   OR

   You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

The SDHC will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

The SDHC's emergency transfer plan provides further information on emergency transfers, and the SDHC must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

The SDHC can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from the SDHC must be in writing, and the PHA must give you at least 14 business days (Saturdays, Sundays, and federal holidays do not count) from the day you receive the request to provide the documentation. The SDHC may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to the SDHC as documentation. It is your choice which of the following to submit if the SDHC asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by the SDHC with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that the SDHC has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, the SDHC does not have to provide you with the protections contained in this notice.

If the SDHC receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), the SDHC has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, the SDHC does not have to provide you with the protections contained

in this notice.

Confidentiality

The SDHC must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

The SDHC must not allow any individual administering assistance or other services on behalf of the PHA (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable federal, state, or local law.

The SDHC must not enter your information into any shared database or disclose your information to any other entity or individual. The SDHC, however, may disclose the information provided if:

- You give written permission to the SDHC to release the information on a time limited basis.
- The SDHC needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires the SDHC to release the information.

VAWA does not limit the SDHC's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, the SDHC cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if the SDHC can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

1. Would occur within an immediate time frame, and
2. Could result in death or serious bodily harm to other tenants or those who work on the property.

If the SDHC can demonstrate the above, the SDHC should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with the Requirements of This Notice

You may report the SDHC for violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with the:

United States Department of Housing & Urban Development (HUD) Los Angeles Field Office
300 North Los Angeles Street
Suite 4054

Los Angeles, CA 90012
Phone: (213) 594-8000

Fax: (213) 894-8107

TTY: (213) 894-8133 or (800) 877-8339 or dial 7-1-1 (not available in all areas)

For Additional Information

You may view a copy of HUD's final VAWA rule at: https://www.gpo.gov/fdsys/pkg/FR-2016- 11-16/pdf/2016-25888.pdf.

Additionally, the SDHC must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact your housing specialist or property manager**.**

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact**:**

Center for Community Solutions	1-888-385-4657
The YWCA's Battered Women's Service	1-619-239-2341
San Diego County Domestic Violence (24-hour hotline)	1-888-DVLINKS

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our- programs/stalking-resource-center.

For help regarding sexual assault, you may contact:

Sexual Assault Response Team (SART) Facilities

Pomerado Hospital	1-760-739-2150
Independent Forensic Services	1-619-265-2812

Rady's Children's Hospital (Emergency)	1-858-966-5980

Rape Crisis Center 24-Hour Hotlines

Center for Community Solutions	1-888-385-4657
Women's Resource Center	1-760-931-2197

Victims of stalking seeking help may contact:

Carlsbad Police Department	1-760-931-2197
Chula Vista Police Department	1-619-691-5151
Coronado Police Department	1-619-522-7350
El Cajon Police Department	1-619-579-3311
Escondido Police Department	1-760-839-4722
La Mesa Police Department	1-619-579-3311
National City Police Department	1-619-336-4411
Oceanside Police Department	1-760-435-4900
San Diego Police Department	1-619-531-2000
*San Diego County Sheriff's Department	1-619-556-1364
Naval Criminal Investigative Services	1-619-556-1364

*Covers unincorporated areas of the County, and contract cities of: Del Mar, Encinitas, Fallbrook, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, Solana Beach, Valley Center, Vista, 4S Ranch

Attachment: Certification form HUD-5382

EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION, FORM HUD-5382

CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, AND ALTERNATE DOCUMENTATION

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act ("VAWA") protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

(1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD's regulations at 24 CFR 5.2003.

(2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or

(3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. **Date the written request is received by victim:** _____
2. **Name of victim:** _____
3. **Your name (if different from victim's):** _____
4. **Name(s) of other family member(s) listed on the lease:** _____

_____

5. **Residence of victim:** _____
6. **Name of the accused perpetrator (if known and can be safely disclosed):** _____

_____

7. **Relationship of the accused perpetrator to the victim:** _____
8. **Date(s) and times(s) of incident(s) (if known):** _____

_____

10. **Location of incident(s):** _____

In your own words, briefly describe the incident(s):

_____

_____

_____

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature_____Signed on (Date) _____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Attachment: Certification form HUD-5382

San Diego Housing Commission (SDHC)

Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Public Housing Program

Emergency Transfers

The SDHC is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),[3] the SDHC allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation. [4] The ability of the SDHC to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether the PHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the public housing and housing choice voucher (HCV) programs are in compliance with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for an emergency transfer, if the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar- day period preceding a request for an emergency transfer.

[3]Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

[4]Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify the SDHC's management office and submit a written request for a transfer to any SDHC office. The SDHC will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the SDHC's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

The SDHC will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives the SDHC written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about the PHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

The SDHC cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. The SDHC will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The SDHC may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If the SDHC has no safe and available units for which a tenant who needs an emergency transfer is eligible, the SDHC will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, the SDHC will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Emergency Transfers: Public Housing (PH) Program

If you are a public housing resident and request an emergency transfer as described in this plan, the SDHC will attempt to assist you in moving to a safe unit quickly. The SDHC will make exceptions as required to policies restricting moves.

Emergency transfers for which you are not required to apply for assistance include the following:

- Public housing unit in a different development
- Public housing unit in the same development, if you determine that the unit is safe

At your request, the SDHC will refer you to organizations that may be able to further assist you.

Emergency transfers will not take priority over waiting list admissions for these types of assistance. At your request, the SDHC will refer you to organizations that may be able to further assist you.

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE, or visit the online hotline at https://ohl.rainn.org/online/.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at https://www.victimsofcrime.org/our-programs/stalking-resource-center.

Attachment: Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

The requirements you must meet are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking. If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

(2) You expressly request the emergency transfer. Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

Submission of Documentation: If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records;

communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER

1. Name of victim requesting an emergency transfer: _____

2. Your name (if different from victim's) _____

3. Name(s) of other family member(s) listed on the lease: _____

_____

4. Name(s) of other family member(s) who would transfer with the victim: _____

_____

5. Address of location from which the victim seeks to transfer: _____

6. Address or phone number for contacting the victim: _____

7. Name of the accused perpetrator (if known and can be safely disclosed): _____

8. Relationship of the accused perpetrator to the victim: _____

9. Date(s), Time(s) and location(s) of incident(s): _____

_____

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. _____

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.

_____

_____

12. If voluntarily provided, list any third-party documentation you are providing along with this notice: _____

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature_____Signed on (Date)
_____

GLOSSARY

A. ACRONYMS USED IN PUBLIC HOUSING

ACC	Annual contributions contract
ACOP	Admissions and continued occupancy policy
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
AMI	Area median income
AMP	Asset management project
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFP	Capital fund program
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as "the regulations")
COCC	Central office cost center
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EIV	Enterprise Income Verification
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration (HUD Office of Housing)
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office

HA	Housing authority or housing agency
HCV	Housing choice voucher
HIP	Housing Information Portal
HOPE VI	Revitalization of Severely Distressed Public Housing Program
HOTMA	Housing Opportunity through Modernization Act of 2016
HUD	Department of Housing and Urban Development
HUDCLIPS	HUD Client Information and Policy System
IPA	Independent public accountant
IRA	Individual retirement account
IRS	Internal Revenue Service
IVT	Income Validation Tool
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
LIHTC	Low-income housing tax credit
MTW	Moving to Work
NOFA	Notice of funding availability
NSPIRE	National Standards for the Physical Inspection of Real Estate
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PHA	Public housing agency
PHAS	Public Housing Assessment System
PIH	(HUD Office of) Public and Indian Housing
QC	Quality control
QHWRA	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)

RAD	Rental Assistance Demonstration Program
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
ROSS	Resident Opportunity and Supportive Services
SSA	Social Security Administration
SSI	Supplemental security income
SWICA	State wage information collection agency
TANF	Temporary assistance for needy families
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
URP	Utility reimbursement payment
VAWA	Violence Against Women Act
VCA	Voluntary Compliance Agreement

B. GLOSSARY OF PUBLIC HOUSING TERMS

Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

Adjusted income. Annual income (as determined under 24 CFR 5.609), of the members of the family residing or intending to reside in the dwelling unit less allowable HUD deductions and allowances.

Affiliated individual. With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in loco parentis (in the position or place of a parent), or any individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.

Alternative non-public housing rent. A monthly rent equal to the greater of:

- The applicable fair market rent, as defined in 24 CFR part 888, subpart A, for the unit; or
- The amount of the monthly subsidy provided for the unit, which will be determined by adding the per unit assistance provided to a public housing property as calculated through the applicable formulas for the Public Housing Capital Fund and Public Housing Operating Fund.

Annual contributions contract (ACC). The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets.*)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Ceiling rent. The highest rent amount the PHA will require a family to pay, for a particular unit size, when the family is paying an income-based rent.

Child. *A* member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses. 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 their 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.

Citizen. *A* citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance 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 the assistance.

Dating violence. 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

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Dependent. A member of the family (which excludes foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person. See *person with disabilities.*

Disallowance. Exclusion from annual income.

Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Domestic violence. Felony or misdemeanor crimes committed by a current or former spouse or intimate partner of the victim under the family or domestic violence laws of the jurisdiction receiving grant funding, and in the case of victim services, includes the user or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior, by a person who is:

- The current or former spouse or intimate partner of the victim, or person similarly situated to a spouse or intimate partner of the victim
- A person who is cohabitating or has cohabitated with the victim as a spouse or intimate partner
- A person with whom the victim shares a child in common
- A person who commits acts against a youth or adult victim who is protected from those acts under the domestic or family violence laws of the jurisdiction

Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Earned income. Income or earnings from wages, tips, salaries, other

employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, Social Security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

Economic abuse. Behavior that is coercive, deceptive, or unreasonably controls or restrains a person's ability to acquire, use, or maintain economic resources to which they are entitle, including using coercion, fraud, and manipulation to:

- Restrict a person's access to money, assets, credit, or financial information
- Unfairly use a person's personal economic resources, including money, assets, and credit, for one's own advantage
- Exert undue influence over a person's financial and economic behavior or decisions, including forcing default on joint or other financial obligations, exploiting powers of attorney, guardianship, or conservatorship, or to whom one has a fiduciary duty

Economic self-sufficiency program. Any program designed to encourage, assist, train, or facilitate the economic independence of assisted families, or to provide work for such families. 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 treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

Effective date. The "effective date" of an examination or reexamination refers to: (i) in the case of an examination for admission, the date of initial occupancy and (ii) in the case of reexamination of an existing tenant, the date the redetermined rent becomes effective.

Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person. An individual who is at least 62 years of age.

Eligible family (Family). A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR.

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. (See 24 CFR 5.508(b).)

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area as determined by HUD, whichever number is higher, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (See 24 CFR 5.603.)

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A single person, who may be:
    - An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
    - An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older; or
- A group of persons residing together, and such group includes, but is not limited to:
    - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
    - An elderly family;
    - A near-elderly family;
    - A disabled family;
    - A displaced family; and
    - The remaining member of a tenant family.

Family self-sufficiency program (FSS program). The program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the coordination of supportive services to these families (24 CFR 984.103).

Federal agency. A department of the executive branch of the federal government.

Flat rent. Rent that is based on the market rent charged for comparable units in the private unassisted rental market, set at no less than 80 percent of the current fair market rent (FMR), 80 percent of the small area fair market rent (SAFMR), or 80 percent of the unadjusted rent, with utility allowances applied as necessary. The unadjusted rent is the FMR estimated directly from source data that HUD uses to calculate FMRs in nonmetropolitan areas.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (See 24 CFR 5.603)

Gender identity. Actual or perceived gender-related characteristics.

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

Head of household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Health and medical care expenses. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

Housing agency (HA). See *public housing agency.*

HUD. The U.S. Department of Housing and Urban Development.

Human trafficking. A crime involving the exploitation of a person for labor, services, or commercial sex. The Trafficking Victims Protection Act of 2000 and its subsequent reauthorizations recognize and define two primary forms of human trafficking:

- Sex trafficking is the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age. See 22 U.S.C. § 7102(11)(A).
- Forced labor is the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. See 22 U.S.C. § 7102(11)(B).

Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

Imputed asset income. When the value of net family assets exceeds $50,000 and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction but is included in the family's annual income and therefore reflected in the family's rental contribution.

Income-based rent. A tenant rent that is based on the family's income and the PHA's rent policies for determination of such rents.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Income Validation Tool (IVT) Accessible through HUD's EIV system, provides validation of tenant reported wages, unemployment compensation, and Social Security benefits by comparing the income reported in IMS-PIC via form HUD-50058 to information received from the Department of Health and Human Services' (HHS) National Directory of New Hires (NDNH), and the Social Security Administration (SSA) data sharing agreements.

Independent contractor. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Individual with handicaps. See *person with disabilities.*

Jurisdiction. The area in which the PHA has authority under state and local law to administer the program.

Lease. A written agreement between the PHA and a tenant family for the leasing a public housing unit. The lease establishes the legal relationship between the PHA and the tenant family.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

Local preference. A preference used by the PHA to select among applicant families.

Low-income family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Minimum rent. An amount established by the PHA of zero to $50.

Minor. A member of the family household other than the family head or spouse, who is under 18 years of age.

Mixed family. *A* family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

National. *A* person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets. (1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment. (2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets. (3) Excluded from the calculation of net family assets are: (i) The value of necessary items of personal property; (ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed $50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located; (v) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability; (vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any "baby bond" account created, authorized, or funded by Federal, State, or local government. (vii) Interests in Indian trust land; (viii) Equity in a manufactured home where the family receives assistance under 24 CFR part 982; (ix) Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR part 982; (x) Family Self-Sufficiency Accounts; and (xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family. (4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

Noncitizen. *A* person who is neither a citizen nor national of the United States.

Non-public housing over-income family. A family whose income exceeds the over-income limit for 24 consecutive months and is paying the alternative non-public housing rent.

Over-income family. A family whose income exceeds the over-income limit.

Over-income limit. The over-income limit is determined by multiplying the applicable income limit for a very low-income family, as defined in 24 CFR 5.603(b), by a factor of 2.4.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program.

Person with disabilities. *For the purposes of program eligibility*. A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.

Previously unemployed. With regard to the earned income disallowance, a person who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Real property. Has the same meaning as that provided under the law of the State in which the property is located.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

Recertification. Sometimes called *reexamination.* The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing program, the PHA administering the program under an ACC with HUD.

Secretary. The Secretary of Housing and Urban Development.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Section 8. Section 8 of the United States Housing Act of 1937; refers to the housing choice voucher program.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the PHA upon termination of the lease.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a))

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Single person. A person living alone or intending to live alone.

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. 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.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Technological abuse. An act or pattern of behavior that occurs within domestic violence, dating violence, sexual assault, or stalking and is intended to harm, threaten, intimidate, control, stalk, harass, impersonate, exploit, extort, or monitor another person, except as otherwise permitted by law, that occurs using any form of technology, including but not limited to:

- Internet enabled devices
- Online spaces and platforms
- Computers
- Mobile devices
- Cameras and imaging programs
- Apps
- Location tracking devices
- Communication technologies
- Any other emergency technologies

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent. The amount payable monthly by the family as rent to the PHA.

Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Unearned income. Any annual income, as calculated under § 5.609, that is not earned income.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment (TTP) for the family occupying the unit.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Act (VAWA). Prohibits denying admission to, denying assistance under, or evicting from a public housing unit an otherwise qualified applicant or tenant on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (24 CFR 984.103), *welfare assistance* includes only cash maintenance payments designed to meet a family's ongoing basic needs. Does not include nonrecurring short term benefits designed to address individual crisis situations, work subsidies, supportive services such as child care and transportation provided to families who are employed, refundable earned income tax credits, contributions to and distributions from Individual Development Accounts under TANF, services such as counseling, case management, peer support, child care information and referral, financial empowerment, transitional services, job retention, job advancement, and other employment-related services that to not provide basic income support, amounts solely directed to meeting housing expenses, amounts for health care, Supplemental Nutrition Assistance Program (SNAP) and emergency rental and utilities assistance, SSI, SSDI, or social security, and child-only or non-needy TANF grants made to or on behalf of a dependent child solely on the basis of the child's need and not the need of the child's current non-parental caretaker.

FY26 Admissions and Continued Occupancy Policy Changes (Matrix)

Ch/Section	Current Language	Proposed Language	Explanation	Change Type (clarification/new policy or program)
Chapter 4 Section 4-III.B. Selection Method Pg 91 ACOP	The SDHC will use the following local preferences: Applicants who live/work/or are hired to work in the City of San Diego, or who are homeless, and who are veterans or active U.S. Servicepersons. Applicants who live/work/or are hired to work in the City of San Diego, or who are homeless, and who are families with children (under the age of 18), or where the head of house or spouse/cohead is disabled or age 62or older. Other applicants who live/work/are hired to work in the City of San Diego, or who are homeless. Applicants who do not live/work/are not hired to work in the City of San Diego and who are veterans or active U.S. Servicepersons.	Within each of the following numbered categories, applicants will be served by date and time of application. 1. Applicants who live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of 62) with a disability. 2. Other applicants who live and/or work in the City of San Diego. 3. Applicants who do not live and/or work in the City of San Diego and who are families of two or more people that include a dependent, or individuals who are disabled or age 62 or older, or veterans, or active U.S. Service Person, or a homeless person with a disability, or a non-elderly person (under the age of	The update to the language is to have the applicant preferences aligned with RADs criteria/preferences	New Policy – Align with RAD

FY26 Admissions and Continued Occupancy Policy Changes (Matrix)

Ch/Section	Current Language	Proposed Language	Explanation	Change Type (clarification/new policy or program)
	Applicants who do not live/work/or not hired to work in the City of San Diego and who are families with children (under the age of 18), or where the head of house or spouse/cohead is disabled or age 62 or older, or a homeless person with a disability. Other applicants who do not live/work/are hired to work in the City of San Diego.	62) with a disability. 4. Other applicants who do not live and/or work in the City San Diego.		

(HA-2000-15)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 1036

ADOPTED ON DEC 7 1999

WHEREAS, the San Diego Housing Authority is required by federal regulations to submit to the U.S. Department of Housing and Urban Development (HUD) for approval of an updated Public Housing Occupancy Plan; and

WHEREAS, HUD must grant permission for the updated Public Housing Occupancy Plan; and

WHEREAS, the Housing Authority approves changes to the Public Housing Occupancy Plan and Section 8 Administrative Plan; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of The City of San Diego, that the San Diego Housing Commission be authorized to submit for approval the updated Public Housing Occupancy Plan and that authority to approve future administrative changes to the Public Housing Occupancy Plan or Section 8 Administrative Plan, which do not affect the selection preferences as approved by the Housing Authority, be delegated to the San Diego Housing Commission.

APPROVED: CASEY GWINN, General Counsel

By _____
Prescilla Dugard
Deputy Counsel

PD:cdk
11/17/99
Or.Dept:Hsg.Comm.
HA-2000-15

Passed and adopted by the Housing Authority of the City of San Diego on DEC 7 1999 by the following vote:

Commissioners	Yeas	Nays	Excused	Absent
Harry Mathis	[✓]	[ ]	[ ]	[ ]
Byron Wear	[✓]	[ ]	[ ]	[ ]
Christine Kehoe	[✓]	[ ]	[ ]	[ ]
George Stevens	[✓]	[ ]	[ ]	[ ]
Barbara Warden	[✓]	[ ]	[ ]	[ ]
Valerie Stallings Vice Chair	[✓]	[ ]	[ ]	[ ]
Judy McCarty	[✓]	[ ]	[ ]	[ ]
Juan Vargas	[✓]	[ ]	[ ]	[ ]
Susan Golding Chair	[✓]	[ ]	[ ]	[ ]

AUTHENTICATED BY:

Susan Golding
Chair of the Housing Authority
of the City of San Diego, California

Elizabeth Morris
Executive Director of the
Housing Authority of the City of
San Diego, California

[SEAL]

Rob Albrecht
Deputy Secretary of the Housing Authority
of the City of San Diego, California

I **HEREBY CERTIFY** that the above and foregoing is a full, true and correct copy of **RESOLUTION NO.** 1036 passed and adopted by the Housing Authority of the City of San Diego, California, on DEC 7 1999.

By: _____
Deputy Secretary

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO APPROVING THE REVISED FISCAL YEAR 2026 SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN AND THE REVISED ADMISSIONS AND CONTINUED OCCUPANCY POLICY FOR PUBLIC HOUSING.

RECITALS

The Housing Authority of the City of San Diego (Housing Authority) adopts this Resolution based on the following:

A. The United States Department of Housing and Urban Development (HUD) requires all public housing authorities to adopt a written administrative plan that establishes local policies for the Section 8 Housing Choice Voucher (HCV) program administration. The plan must state HUD-mandated policies and the public housing authority's policies in those areas where the public housing authority has discretion to establish local policy.

B. San Diego Municipal Code (SDMC) section 98.0301(d)(3) authorizes the San Diego Housing Commission (Housing Commission) to adopt guidelines for the administration of programs previously approved and funded by the Housing Authority. On December 7, 1999, the Housing Authority approved Resolution HA-1036, which delegated authority to the Board of Commissioners of the San Diego Housing Commission (Board) to approve future administrative changes to the HCV Administrative Plan that do not affect selection preferences as approved by the Housing Authority.

C. The federal Emergency Housing Voucher (EHV) program, established in 2021, assists households that are experiencing homelessness; are at risk of experiencing homelessness; are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or who recently experienced homelessness and for whom rental assistance will help prevent their homelessness or a high risk of housing instability.

D. The American Rescue Plan Act of 2021 appropriated $5 billion for new incremental EHVs and the cost of administering EHVs nationwide, with 70,000 EHVs awarded to 626 public housing authorities. Of those, 501 EHVs were awarded to the Housing Commission. HUD Notice PIH 2021-15 dated May 5, 2021 (Notice 2021-15), said in part, "The funds appropriated for the EHV program are available for obligation by HUD only until September 30, 2030 and will be cancelled as a matter of law on September 30, 2035." Based on Notice 2021-15, the Housing Commission's expectation was that HUD funding allocations would continue at least through 2030, and could be used through 2035, for families that remained in the EHV program at that time. However, HUD issued a letter, dated March 6, 2025, to public housing authorities stating that after the calendar year 2025 allocation, HUD would provide no additional EHV funding to public housing authorities. HUD's letter accelerated the end of EHV assistance by at least five years sooner than anticipated.

E. As required by the EHV program, the Housing Commission has not reissued any turnover EHVs since September 2023, but the Housing Commission continues to provide rental assistance for more than 460 EHV families who remain in the program. Approximately 20 more families are in a move process with an EHV and are searching for housing. EHV households consist of more than 900 individuals and represent some of the most vulnerable populations, for

example, seniors or disabled, and the average annual income for these families is $15,895. These households rely on rental subsidies to sustain housing in San Diego's high-cost rental housing market. Without this rental assistance, many of these families will be unable to pay their rent and likely will become homeless.

F. On May 7, 2025, the Housing Commission received from HUD an estimated EHV Housing Assistance Payment Renewal Notice (Renewal Notice). Based on the Renewal Notice, the Housing Commission estimates the remaining available federal funding will allow the Housing Commission to assist EHV families through fall 2026. At that time, the EHV program would end because of a lack of federal funding and no alternative funds to continue the EHV program.

G. To help mitigate the negative impacts on the Housing Commission's EHV families, the Housing Commission has requested a variety of waivers from HUD, including allowing eligible veterans to be transitioned to the Veteran Affairs Supportive Housing (VASH) program and the creation of a local EHV priority for the Housing Commission rental assistance wait lists, including wait lists for project-based vouchers. The EHV priority would apply only to current Housing Commission EHV participants.

H. On June 20, 2025, HUD issued notice PIH 2025-19 (Notice 2025-19). Notice 2025-19 allows public housing authorities to transition EHV families to the HCV program using its existing HCV funding. HUD will not provide additional funds to transition EHV families to the HCV program. The Housing Commission will have minimal project-based Housing Choice Vouchers available prior to fall 2026 to offer EHV families as an alternative housing opportunity. The majority of EHV families remain at risk of housing instability and homelessness without supplemental funding.

I. According to Notice 2025-19, transitioning EHV families into a public housing authority's HCV program requires selecting the family through the public housing authority's waiting list. The Housing Commission proposes a revision to the HCV Administrative Plan to create a local preference for current EHV-assisted families to the Housing Commission's HCV waiting list whose assistance is at risk of termination due to lack of EHV program funding. This priority will be available for up to 12 months after HUD's EHV funding has ended for the family.

J. HUD requires all public housing authorities to adopt a written administrative plan that establishes local policies for program administration. The plan must state the public housing authority's policies in those areas where the public housing authority has discretion to establish local policy. Under SDMC section 98.0301(d)(3) and Housing Authority Resolution HA-1036, the Board has approved administrative changes to the Public Housing Occupancy Plan, now known as the Admissions and Continued Occupancy Policy (ACOP), that do not affect selection preferences.

K. Federal regulations allow public housing authorities to establish local preferences for the public housing wait list and to prioritize serving families that meet those criteria. Housing Commission staff proposes revisions to the public housing wait list preferences in the ACOP to be consistent with the wait list preferences in the Housing Commission's HCV Administrative Plan to reflect the Housing Commission's strategic effort to ensure greater consistency, fairness, and administrative efficiency across both programs.

L. Housing Commission staff determined the Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan revisions are not a project as defined by the California Environmental Quality Act (CEQA) section 21065 and CEQA Guidelines section 15378(b)(5)

and categorically excluded from the National Environmental Policy Act (NEPA) under Title 24 of the Code of Federal Regulations, section 58.35(b)(1) and (b)(2), regarding tenant-based rental assistance and supportive services, including housing services, and is not subject to Title 24 of the Code of Federal Regulations, section 58.5, as approved by City staff.

M. Housing Commission staff determined the Admission and Continued Occupancy Policy for Public Housing revisions are not a project as defined by the California Environmental Quality Act (CEQA) section 21065 and CEQA Guidelines section 15378(b)(5) and processing under the National Environmental Policy Act (NEPA) is not required because no federal funds are included in this activity.

N. The Office of the City Attorney has drafted this Resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter

ACTION ITEMS

Be it resolved by the Housing Authority of the City of San Diego:

1. The Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan revisions are approved.

2. The Admissions and Continued Occupancy Policy for Public Housing revisions are approved.

3. The Housing Commission's President and Chief Executive Officer, or designee, is authorized to execute all documents and instruments necessary and appropriate to implement these approvals, in a form approved by and upon the advice of the Housing Commission's

General Counsel, and take such actions as are necessary and appropriate to implement these approvals.

4. Housing Commission staff will notify the Housing Authority and the San Diego City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.

APPROVED: HEATHER FERBERT, General Counsel

By _____
Hilda R. Mendoza
Senior Deputy General Counsel

HRM:nja
September 25, 2025
Or. Dept: Housing Authority
Doc. No. 4202285

The City of San Diego
Item Approvals

Item Subject: Approval of the Revised Fiscal Year 2026 Section 8 Housing Choice Voucher Administrative Plan and the Revised Admissions and Continued Occupancy Policy for Public Housing

Contributing Department	Approval Date
DOCKET OFFICE	09/24/2025
FINANCE	09/25/2025
ENVIRONMENTAL ANALYSIS	09/25/2025

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	09/23/2025
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	09/29/2025
CITY ATTORNEY	MENDOZA, HILDA	10/07/2025