

*Housing Authority of the  
County of Merced*

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*Annual Plan for Fiscal Year:*

*10/1/2016 – 9/30/2017*

*PHA Code: CA023*

*U. S. Department of Housing and Urban Development  
Office of Public and Indian Housing*

**Housing Authority of the County of Merced  
Annual Plan FY 2016**

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<b>Streamlined Annual PHA Plan</b> <i>(High Performer PHAs)</i>	<b>U.S. Department of Housing and Urban Development</b> <b>Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226</b> <b>Expires: 02/29/2016</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A. PHA Information.																															
A.1	<p>PHA Name: <u>Housing Authority of the County of Merced</u>                      PHA Code: <u>CA023</u>  PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer  PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/2016</u>  PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)  Number of Public Housing (PH) Units <u>421</u>      Number of Housing Choice Vouchers (HCVs) <u>2780</u>  Total Combined <u>3201</u>  PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission                      <input type="checkbox"/> Revised Annual Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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Lead PHA:																															

<b>B.</b>	<b>Annual Plan Elements</b>
<b>B.1</b>	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last <b>Annual PHA Plan</b> submission?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) The PHA must submit its Deconcentration Policy for Field Office Review. – <b>See Attachment A</b></p> <p>(c) If the PHA answered yes for any element, describe the revisions for each element below:</p> <p><b>PHA Plan Elements Attachment B</b>  <b>HCV/Section 8 Administrative Plan Changes See Attachment C</b>  <b>ACOP Changes See Attachment D</b></p>
<b>B.2</b>	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p><b>The HACM may issue a request for Project Based Vouchers to support the goal of expanding the supply of affordable housing. Such proposals will be considered on a case-by-case basis. The HACM may elect to Project-Base up to 20% of budget authority, as allowed by program regulations. Project-Based units may be located anywhere in the jurisdiction of the HACM.</b></p>

<p><b>B.3</b></p>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <ul style="list-style-type: none"> <li>• <b>Goal 1 – Create and preserve quality of affordable housing opportunities in Merced County.</b> <ul style="list-style-type: none"> <li>○ Purchased and rehabbed six (6) units for Public Housing utilizing RHF funds.</li> </ul> </li> <li>• <b>Goal 2 – Preserve and expand HACM’s affordable housing programs.</b> <ul style="list-style-type: none"> <li>○ Applied for and received 15 additional VASH vouchers, totaling 55 VASH voucher to date.</li> <li>○ Applied for an additional 11 VASH vouchers – Pending Approval</li> </ul> </li> <li>• <b>Goal 3 – Strengthen partnerships with City and County to develop and maintain affordable housing, furthering HACM’s mission.</b> <ul style="list-style-type: none"> <li>○ Actively participate in the City of Merced Housing Element Plan.</li> <li>○ Actively participate in the Los Banos Housing Element Plan.</li> <li>○ Actively participate in the Continuum of Care.</li> <li>○ Utilize all opportunities to promote affordable housing needs in the community.</li> </ul> </li> <li>• <b>Goal 4 – Improve the quality of assisted housing.</b> <ul style="list-style-type: none"> <li>○ Maintained High Performer status in both Public Housing and Housing Choice Voucher.</li> <li>○ Received the “2015 Low Rent Program of the Year” from HUD for maintaining 99% occupancy.</li> <li>○ Utilized CFP funds to rehab and modernize Public Housing units. <ul style="list-style-type: none"> <li>– Roof replacements</li> <li>– HVAC updates</li> <li>– ADA modifications</li> <li>– Sidewalk repairs</li> <li>– Comprehensive tree trimming</li> </ul> </li> </ul> </li> <li>• <b>Goal 5 – Promote and secure services for Housing Authority residents and participants.</b> <ul style="list-style-type: none"> <li>○ Increased FSS participation.</li> <li>○ Recognized 3 FSS graduates.</li> <li>○ Applied for and received FSS grant funding.</li> </ul> </li> <li>• <b>Goal 6 – Strengthen the agency’s financial position and its ability to respond to shifting economic conditions.</b> <ul style="list-style-type: none"> <li>○ Stabilized operational costs and staffing levels.</li> <li>○ Streamlined operational processes <ul style="list-style-type: none"> <li>– New online application/tracking system</li> </ul> </li> </ul> </li> </ul>
<p><b>B.4.</b></p>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p><b>Other Document and/or Certification Requirements.</b></p>	
<p><b>C.1</b></p>	<p><b>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</b></p> <p><u>Form 50077-ST-HCV-HP</u>, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p style="text-align: center;"><b>See Attachment E</b></p>
<p><b>C.2</b></p>	<p><b>Civil Rights Certification.</b></p> <p><u>Form 50077-ST-HCV-HP</u>, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p style="text-align: center;"><b>See Attachment F</b></p>

C.3	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y   N  <input checked="" type="checkbox"/>   <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p style="text-align: center;"><b>See Attachment G</b></p>
C.4	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p style="text-align: center;"><b>See Attachment H</b></p>
<b>D</b>	<p><b>Statement of Capital Improvements.</b> Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
D.1	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p style="text-align: center;"><b>See Attachment I</b></p>

**10.6 SELECTION FROM THE WAITING LIST [24 CFR 96.202(B)]**

The Merced Housing Authority shall follow the statutory requirement that at least 40% of newly admitted families in any fiscal year be families whose annual income is at or below 30% of the area median income. To insure this requirement is met we shall quarterly monitor the incomes of newly admitted families and the incomes of the families on the waiting list.

If it appears that the requirement to house extremely low-income families will not be met, we will skip higher income families on the waiting list to reach extremely low-income families.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

**10.7 DECONCENTRATION POLICY AND INCOME MIXING [24 CFR 903.1 and 903.2]**

The MHA's admission policy is designed to provide for deconcentration of poverty and income-mixing by bringing higher income residents into lower income developments and lower income residents into higher income developments.

A resident's gross annual income is used to determine income limits at admission and for income-mixing purposes.

**10.8 DECONCENTRATION AND INCOME- MIXING GOALS**

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

Deconcentration will apply to transfer families as well as applicant families.

**10.9 DEVELOPMENT DESIGNATION METHODOLOGY [24 CFR 903.2(c)(1)]**

MHA will determine on an annual basis the average income of all families residing in its covered developments.

MHA will then determine the average income of all families residing in each covered development.

MHA will then determine whether each covered developments falls above, within, or below the Established Income Range (EIR).

The EIR is 85 percent to 115 percent (inclusive of 85 percent and 115 percent) of the MHA-wide average income for covered developments.

MHA will then determine whether or not developments outside the EIR are consistent with local

goals and strategies in MHA Agency Plan.

MHA may explain or justify the income profile for these developments as being consistent with and furthering two sets of goals:

1. Goals of deconcentration of poverty and income mixing (bringing higher income residents into lower income developments and vice versa); and
2. Local goals and strategies contained in the MHA Annual Plan.

### **10.10 DECONCENTRATION POLICY**

If, at annual review, there are found to be development(s) with average income above or below the EIR, and where the income profile for a general occupancy development above or below the EIR is not explained or justified in MHA Plan, the MHA shall adhere to the following policy for deconcentration of poverty and income mixing in applicable developments.

Skipping a family on the waiting list to reach another family in an effort to further the goals of MHA's deconcentration policy:

- If a unit becomes available at a development below the EIR, the first eligible family on the waiting list with income above the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income above the EIR will be offered the unit. The process will continue in this order. For the available unit at the development below the EIR, if there is no family on the waiting list with income above the EIR, or no family with income above the EIR accepts the offer, then the unit will be offered to the next family regardless of income.
- If a unit becomes available at a development above the EIR, the first eligible family on the waiting list with income below the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income below the EIR will be offered the unit. The process will continue in this order. For the available unit at the development above the EIR, if there is no family on the waiting list with income below the EIR, or no family with income below the EIR accepts the offer, then the unit will be offered to the next family regardless of income.

Skipping of families for deconcentration purposes will be applied uniformly to all families.

### **10.11 DECONCENTRATION INCENTIVES**

The ease of the applications process, coupled with rents capped at affordable levels, will attract more low - income applicants. Those higher - income applicants will mix with the large number of very - low - income applicants already attracted to the agency waiting lists. Units will then be filled from the mixed - income waiting list when they become available, which will create an income mix within projects.

Affordable flat rents should encourage savings and discourage working families from moving prematurely (before they are able to achieve financial independence). This



should serve as an example of achievement to those who want to better themselves, and help preserve the desirable income mix.

A family has the sole discretion whether to accept an offer of a unit made under deconcentration policy. MHA shall not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under this deconcentration policy. However, MHA shall uniformly limit the number of offers received by applicants, described in 10. Tenant Selection Plan.

If the average incomes of all general occupancy developments are within the Established Income Range, MHA will be considered to be in compliance with the deconcentration agreement.

Nothing in the deconcentration policy relieves MHA of the obligation to meet the income targeting requirements.

#### **10.12 PROMOTION OF INTEGRATION**

Beyond the basic requirement of nondiscrimination, MHA shall affirmatively further fair housing to reduce racial and national origin concentrations.

MHA shall not require any specific income or racial quotas for any development or developments.

MHA shall not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, creed, national or ethnic origin, age, familial or marital status, handicap, disability, gender identity or sexual orientation for purposes of segregating populations.

#### **10.13 OFFER OF A UNIT**

When the Merced Housing Authority discovers that a unit will become available, we will contact the first family on the waiting list who has the highest priority for this type of unit or development and whose income category would help to meet the deconcentration goal and/or the income targeting goal.

The Merced Housing Authority will contact the family first by telephone to make the unit offer. If the family cannot be reached by telephone, the family will be notified of a unit offer via first class mail. The family will be given five (5) business days from the date the letter was mailed to contact the Merced Housing Authority regarding the offer.

The family will be offered the opportunity to view the unit. After the opportunity to view the unit, the family will have two (2) business days to accept or reject the unit. This verbal offer and the family's decision must be documented in the tenant file.

CA023 – Housing Authority of the County of Merced (HACM)

## B.1 (a) ANNUAL PLAN ELEMENTS

### 1. Statement of Housing Needs and Strategy for Addressing Housing Needs

Data used to assist in determining local housing needs have come from multiple sources which include the HACM’s Waiting List, City of Merced- Consolidated Plan, the Housing Element Plan, and Merced County General Plan.

The HACM has analyzed the housing needs of low, very low and extremely low-income families who reside the HA’s jurisdiction. The housing needs of the very low and extremely low income families who reside in the community continue to be great. According to current U.S. Census Bureau information 35.1% of the population is living below the poverty level. In addition Merced County unemployment leads the state and the nation with 18.8% unemployment.

See Housing Needs from HACM’s wait list below.

<b>Housing Needs of Families on HCV/Section 8 Waiting List</b>		
	# of families	% of total families
Waiting list total	1,624	
Extremely low income <=30% AMI	1,383	85%
Very low income (>30% but <=50% AMI)	175	11%
Low income (>50% but <80% AMI)	66	4%
Families with children	1,101	68%
Elderly families	76	5%
Families with Disabilities	183	11%
Race/ethnicity: White	636	39%
Race/ethnicity: Black	447	28%
Race/ethnicity: Asian	85	5%
Race/ethnicity: Hispanic	803	49%
Race/ethnicity: A. Indian	51	3%

On March 15, 2015, the HACM opened enrollment for the HCV/Section 8 Program waiting list. Prior to this it had been closed since July 20, 2009. Enrollment was limited to 750 applications. During a seven (7) hour period individuals were provided assistance and 750 completed applications were submitted. It was estimated that an additional 1,000 individuals were still in line but unable to submit an application.

On February 8, 2016, the HCV/Section 8 program waiting list opened again. The application process utilized an “online process” and results were overwhelming. Over 1,900 applications were received in a forty-five (45) minute span.

These overwhelming results indicate the high demand for affordable housing in the community. It is the intent of the HACM to maintain shorter waitlists, and open it more frequently in an effort to maintain more current data.

CA023 – Housing Authority of the County of Merced (HACM)

## **B.1(a) ANNUAL PLAN ELEMENTS**

### **2. Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions**

The HACM has established the following plans:

- 1) Public Housing – Admissions & Occupancy Plan
- 2) HCV/Section 8 – Administrative Plan

The purpose of each plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local objectives.

The plans include a variety of policies including; eligibility, admissions and maintaining waitlists for the Public Housing and HCV Programs. Plans also include provisions for deconcentration of poverty, and income mixing. These policies conform to HUD guidelines for new admissions and include targeting of extremely-low income families.

It is the HACM’s policy to provide for deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. HACM’s may skip families on the waiting list to reach other families with lower or high income. Additionally, the HACM may use flat rents to encourage higher income eligible residents to lease or remain in public housing units. This is accomplished in a uniform and non-discriminatory manner.

The HACM will affirmatively market all housing to all eligible income eligible groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments.

Centralized waiting lists are maintained for Section 8 Tenant-Based Assistance and for the four (4) Public Housing/Low Income AMPs within the HACM jurisdiction. Waiting Lists contain pertinent applicant information, including family size, local ranking preferences for which they have claimed and are deemed eligible for (Independent Living Skills; Involuntary Displacement; Homeless Preference, Veteran Preference; Victim of Domestic Violence, etc.). All waiting lists are updated and purged on a regular basis in order to maintain an accurate record of the households requesting housing assistance. An applicant household determined ineligible will be notified promptly in writing of the determination and informed of the right to an informal review.

#### **ACOP**

Section 8.0 Eligibility for Admission  
Section 9.0 Managing Waiting List  
Section 10 Tenant Selection (Deconcentration)

#### **HCV Admin Plan**

Chapter 2 Eligibility for Admission  
Chapter 3 Pre-Application Process  
Chapter 4 Waiting List and Tenant Selection

CA023 – Housing Authority of the County of Merced (HACM)

**B.1(a) ANNUAL PLAN ELEMENTS****3. Financial Resources**

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2016 grants)</b>		
a) Public Housing Operating Fund	1,471,184	Public Housing
b) Public Housing Capital Fund 2016 <b>CA01P023501-16</b>	724,104	Unit Rehab
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant- Based Assistance	18,224,814	Housing Choice Voucher Rental Assistance
f) Resident Opportunity and Self-Sufficiency Grants	54,400	Ross Coordinator
g) Community Development Block Grant		
h) HOME		
Other Federal Grants (list below)		
USDA – RD Rental Assistance	362,530	
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>		
j) Resident Opportunity and Self-Sufficiency Grants		
Public Housing Capital Fund 2015	714,098	
<b>3. Public Housing Dwelling Rental Income</b>	1,578,691	Public Housing Operations
<b>4. Other income (list below)</b>		
Shelter Plus Care	54,720	Rental Assistance
VASH	271,000	Rental Assistance
<b>5. Non-federal sources (list below)</b>		
State Programs	1,223,107	Operations
Local	2,713,685	Operations
<b>Total resources</b>	<b>27,337,613</b>	

CA023 – Housing Authority of the County of Merced (HACM)

## **B.1(a) ANNUAL PLAN ELEMENTS**

### **4. Rent Determination**

Public Housing residents are provided the choice of paying an Income-Based or a Flat Rent at initial Lease-Up and at Annual Reexamination. The HACM has established the Minimum Rent at \$50 unless the household qualifies for an exemption, as requested by the client and verified by the HACM.

Per PIH Notice 2014-12, the PHA is required to increase the established Public Housing Flat Rents to no lower than 80 percent of Fair Market Rent (FMR) in order to be in compliance with HUD requirements.

Under the HCV Program, the HACM establishes Payment Standards based upon the HUD-published Fair Market Rents. The HACM reviews proposed rents to ensure they meet the rent reasonableness criteria set by HUD and that Contract Rents are reasonable in relation to rents currently being charged for comparable units in the private, unassisted market. The tenant's portion of rent is determined by their income.

ACOP – Section 13 Determination of Total Tenant Payment and Tenant Rent  
HCV Admin Plan – Chapter 6 Factors Related to Total Tenant Payment Determination

CA023 – Housing Authority of the County of Merced (HACM)

**B.1(a) ANNUAL PLAN ELEMENTS**

**5. Homeownership Programs**

HACM created a Homeownership Program (HOP) for tenants residing in public housing. The Homeownership Program was established to provide an opportunity for low income families who ordinarily could not afford to buy their own homes, to do so. Families are required to meet normal eligibility requirements for public housing and must, in addition, demonstrate the potential to achieve homeownership status. Such potential involves an income which is stable and sufficient to pay operating costs and build up equity towards the required down payment. Prospective tenants are required to attend a variety of classes which include homeownership, credit counseling, home maintenance, how to maintain a loan, etc.

To date, 95 families have benefited from the program and achieved homeownership. Currently there are 3 available homes for prospective families.

CA023 – Housing Authority of the County of Merced (HACM)

## **B.1(a) ANNUAL PLAN ELEMENTS**

### **6. Safety and Crime Prevention**

The HACM partners with local law enforcement agencies (Police, Sheriffs and District Attorney) to determine the safety needs of the residents and community, working towards a mutual goal of ensuring and improving the safety of residents. The HACM has undertaken partnerships with local organizations to encourage the prevention of crime and/or drug activities, especially targeting at-risk youth.

Measures taken by the HACM include:

- Resident reports
- HA employee reports
- Police reports
- Encouragement for residents to form volunteer neighborhood watch programs
- Working with law enforcement to analyze crime statistics over time for crimes committed “in and around” public housing authority
- Analysis of vandalism and removal of graffiti
- Safety and security survey of residents

### **Violence Against Women Act (VAWA)**

- The HACM supports the goals of the VAWA Amendments and complies with all requirements and will continue to administer its housing programs in ways that support and protect residents (including Section 8 Housing Choice Voucher program participants) and applicants who may be victims of domestic violence, dating violence, sexual assault or stalking.
- The HACM will not take any adverse action against a resident/participant or applicant solely on the basis of her or his being a victim of such criminal activity, including threats of such activity. “Adverse action” in this context includes denial or termination of housing assistance.
- The HACM will not subject a victim of domestic violence, dating violence, sexual assault, or stalking to a more demanding standard of lease compliance than other residents.
- The HACM has developed policies and procedures to comply with the requirements of VAWA. The victim or threatened victim of an incident or incidents of actual or threatened domestic violence, dating violence or stalking will not be construed as a serious or repeated violation of the lease, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence. The HACM may terminate the assistance/tenancy to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants. The HACM may honor court orders regarding the right of access

or control of the property and orders issued to protect the victim and to address the distribution or possession of property among household members where the family “breaks up”. There is no limitation on the ability of the HACM to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence, or stalking, other than the victim may not be subject to a “more demanding standard” than non-victims. There is no prohibition on the HACM terminating assistance if it “can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s (victim’s) assistance is not terminated”. Any protections provided by law which give greater protection to the victim are not superseded by these provisions. The HACM may require certification by the victim of victim status on such forms as the HACM and/or HUD shall prescribe or approve.

ACOP – Section 23 Violence Against Women Act  
HCV Admin Plan – Chapter 17 Violence Against Women Act



CA023 – Housing Authority of the County of Merced (HACM)

## **B.1(a) ANNUAL PLAN ELEMENTS**

### **7. Pet Policy**

The HACM has the discretion to decide when and how the keeping of pets will be allowed in public housing units, as described in Chapter 18 of the Admission and Continued Occupancy Policy.

HACM's policy describes on the keeping of pets in and on properties owned and operated by the HACM. The HACM's Pet Policy is related to the legitimate interest of providing decent, safe, and sanitary living environment for all tenants, to protecting and preserving the physical condition of HA property, and to the financial interest of the HA. All pets must be registered with the HACM. Permitted pets are domesticated dogs, cats or birds. No other type of pet shall be allowed or kept on HA property, including but not limited to, illegal, exotic, or endangered animals, reptiles, arachnid, etc.

The intent of the HACM Pet Policy is to grant individual authorization to possess a pet within their unit and to allow the HA to reasonably impose additional deposits to cover potential costs incurred for damages cause to PHA property. Nothing in the Pet Policy shall imply approval or acceptance of such pet ownership to the extent of passing liability to the HACM (including liability, judgments, expenses (including costs and attorney's fees), or claims by third parties in relation to the resident's pet(s).

The HACM's Pet Policy does not apply to animals that are used to assist persons with disabilities. Assistive animals are allowed in all Public Housing facilities with no restriction other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe and sanitary manner and to refrain from disturbing their neighbors.

ACOP – Section 21.0 Pet Policy

CA023 – Housing Authority of the County of Merced (HACM)

## **B.1(a) ANNUAL PLAN ELEMENTS**

### **8. Substantial Deviation – 5-Year Plan**

A “Substantial Deviation” from the 5-Year Plan is an overall significant change in the direction of the Agency pertaining to the Authority’s goals and objectives. This includes adding to the Agency’s goals and objectives.

### **9. Significant Amendment/Modification – Annual Plan**

The “Significant Amendment or Modification” to the Annual Plan is a change in a policy or policies pertaining to the operation of the Authority. This includes the following:

- Changes to rent, admission policies or organization on the waiting list.
- Additions of non-emergency work items in excess of 10% of the total Capital Fund Program budget (items not included in the current Annual Plan Statement or 5-Year Action Plan) or change in current Annual Statement or 5-Year Action plan or change in use of replacement reserve funds under the Capital Fund Program.
- Any changes with regard to demolition or disposition, designation, homeownership programs or conversion activity.

Any “significant amendment or modification” to the plan would require a revised plan that has met the full public process requirement.

## **SUMMARY OF ADMINISTRATIVE PLAN CHANGES**

Below is a summary of the changes incorporated into the 2016 Admin Plan regarding the policies for the Housing Choice Voucher program (HCV).

### **Chapter 2 - ELIGIBILITY FOR ADMISSION**

- Revised definition of Extremely Low-Income family; Page 2-8 (PIH 2016-05)
- Mandatory Social Security Numbers; Page 2-9 through 2-10
  - Change creates a 90-day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the SSN of a family member under the age of 6 years. (PIH 2016-05)

### **Chapter 4 – WAITING LIST AND TENANT SELECTION**

- Designated 20 vouchers per calendar year for the Independent Living Skills Program preference; Page 4-4
- Designated 100 vouchers per calendar year for the Homeless preference; Page 4-4

### **Chapter 6 – FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION**

- Exclusion of mandatory education fees from income; Page 6-3 through 6-4 (PIH 2016-05)
- Modified Earned Income Disallowance (EID) so that the benefit now applies for a straight 24-month period and HA is no longer obligated to track the number of months due to employment starts and stops; Page 6-5 through 6-8 (PIH 2016-05)

## Chapter 2

### ELIGIBILITY FOR ADMISSION

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

#### **INTRODUCTION**

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

#### **A. ELIGIBILITY FACTORS** [ 24 CFR 982.201 (B)]

HACM 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 the HACM.

The HUD eligibility criteria are:

- An applicant must qualify as a "family"
- An applicant must be within the appropriate Income Limits
- An applicant must furnish Social Security numbers for all family members age six and older
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and verification where required

At least one member of the applicant family must be either a U.S. citizen or have eligible immigration status before HACM may provide any financial assistance.

Reasons for denial constitute additional admission criteria.

For the HACM's additional criteria for eligibility, see Section F, "Other Criteria for Admission."

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors.

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, unless the HACM determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.

**B. FAMILY COMPOSITION** [24 CFR 982.201(c)]

The terms “family” and “household” have different meaning in the HCV program. A “family” includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

(1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or

(2) A group of persons residing together and such group include, but are 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
- The remaining member of a tenant family

A remaining member of a resident family, meaning a family member of an assisted resident family who remains in the unit when other members of the family have left the unit.

Other families are defined by the HACM as follows:

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.

**Head of Household and Family Separation and Retention of Wait List Placement**

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal

capacity to enter into a lease under State/local law. Emancipated minors who qualify under State law will be recognized as head of household.

For an applicant, Head of Household will be determined by who is designated on the original application. However, if a family unit separates while presently on the waiting list, the HACM will make every effort to encourage the family members to decide on who will retain the Housing Choice Voucher application. Under no circumstances shall the authority allow the separate households to be admitted as two applicants to the wait list.

The applicant, or Head of Household, is not allowed to switch a member on the application, or to add a member as Head of Household in order to receive a preference.

Example: Head of Household adds grandfather to application, but switches the grandfather to Head of Household in order to receive Veteran Status.

A new application on the waiting list, also is not acceptable, if the Head of Household is, in this particular case, the grandfather, and the same family members are on the application. A new application would only be acceptable, for an example, with the grandfather as the Head of Household, as long as the family members on the application were not family members of the other application.

The original Head of Household must remain the Head of Household, except for a split in the family as explained below.

If the family cannot agree on whom will retain the Housing Choice Voucher application and there is no court determination, the HACM shall use the following guidelines to determine who will retain the application based on HACM's determination of the evidence presented:

**1<sup>st</sup> Priority**

Given to victims of domestic violence if domestic violence is a contributing cause of the family breakup.

**2<sup>nd</sup> Priority**

Given to the adult member of the household who retains primary physical custody of the majority of the household's minor children.

**3<sup>rd</sup> Priority**

Given to the adult member of the household who is disabled.

**4<sup>th</sup> Priority**

Given to the adult member who initially applied, if another adult member was added at a later time.

Note: If all of the circumstances do not apply and the only adult member left on the application is an adult member that was not added at the initial submission of the application, that adult member will not have residual rights to the application, and will need to reapply to the Housing Choice Voucher Program.

The HACM shall require verification of the above circumstances. If either or both of the families do not provide the documentation requested by the HACM, removal from the waiting list for failure to supply requested verifications will occur.

**Spouse of Head**

Spouse means the husband or wife of the head.

For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced or marriage dissolved. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

**Co-Head**

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

**Live-in Attendants**

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

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

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

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

A live-in aide is treated differently than family members:

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

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

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

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above. Family members of a live-in attendant may not reside in the unit.

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

At any time, the HACM will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

1. The person has been on a federal housing program and evicted from public housing or terminated from Housing Choice Voucher due to program violation.
2. The person owes any amounts of money to any federal housing program.
3. The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program; commits drug-related criminal activity, or violent criminal activity. The person commits other criminal activity or abuses alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents, HACM employees and agents, and persons residing in the immediate vicinity of the premises.
4. The person has employment outside of the home.
5. Another person is residing in the unit who is capable of providing the care for participant.
6. Participant requiring live in aide must supply the HACM with verification from a reliable, knowledgeable professional, such as a medical doctor, social worker or caseworker. The verification must demonstrate that a live-in aide is necessary and the family would not be equally well served by a home health care service or a care provider who does not live in the unit. This verification will be required to be given



to the HACM at the initial time the live-in aide begins to reside in the subsidized unit.

7. Other additional family members of live in care attendant reside in unit with participant.
8. In instances where the family receives payments from Human Services through the In Home Supportive Services (IHSS) program, and the live-in aide reported to the HACM is not the same person on the record with IHSS.
9. The live-in aide's qualification for housing occupancy terminates when the individual needing the supportive services leaves the unit or fails to qualify for continued occupancy or where the need for live in assistance ceases. The live-in aide does not qualify for continued occupancy as a remaining member of the tenant family, even if they are related by blood, marriage or operation of law.

### **Multiple Families in the Same Household**

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Joint 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 183 days of the year, which do not have to run consecutively.

When both parents are on the Waiting List and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

In some instances both parents will have joint custody of a child, and the child will reside with one parent more than 51 percent of the time, but the other parent will receive the welfare benefits for the child. In these cases the HACM will consult with the welfare department and review the court ordered visitation documents. HACM will make a determination based on the information presented.

Other factors that the HACM will consider to determine subsidy standard and/or deductions from annual income are:

- Which family takes the child as a dependent on the most recent Federal Income Tax Return.

- School records showing address of child.
- Who pays for the primary medical care of child.
- Any other court documents pertaining to custody or details of support for the child.
- Whose name and address appear on the SS and/or SSI income records with Social Security for the child's benefits.

**Restrictions on Individuals Who are Enrolled at an Institution of Higher Education and Applying for Section 8 Assistance in their Individual Capacity.**

Students enrolled at an institution of higher education who are under the age of 24, not a veteran, unmarried, and do not have a dependent child, AND are seeking Seeking Section 8 assistance in their individual capacity (separate from their parents), may not be eligible for assistance unless they pass a two-part income eligibility test.

This income test requires that both the student and the student's parents (the parents individually or jointly) must be income eligible for the student to receive Section 8 assistance. If it is determined that the parent are not income eligible, the student is ineligible to receive Section 8 assistance.

Most definitions that apply to the new "Student Rule" are outlined in the Supplementary Guidance dated April 10, 2006, regarding Eligibility of Students for Assisted Housing under Section 8 of the U.S. Housing Act of 1937. However, this HUD Notice requires that housing authorities adopt their own definition of "veteran" and "parents" under this rule. Therefore, the HACM has adopted these definitions:

"Veteran" means a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

HUD defines "*parents*" for the purposes of Section 8 Program to mean the biological or adoptive parents, or guardians (e.g., step-parents, grandparents, aunt/uncle, godparents, etc.). The HACM will adopt this definition without adding any further stipulations.

**C. INCOME LIMITATIONS** [24 CFR 982.201(b), 982.353]

In order to be eligible for assistance, an applicant must:

Have an Annual Income at the time of admission that does not exceed the very low-income limits for occupancy established by HUD.

To determine if the family is income-eligible, the HACM 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 informal review.

### **Definitions of the Income Limits [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.* ELI families are defined as very low-income families whose annual income does not exceed the higher of the Federal poverty level or 30 percent of Area Median Income.

### **Using Income Limits for Eligibility [24 CFR 982.201]**

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size.

In order to be income eligible, an applicant family must be one of the following:

- A *very low-income* family
- A *low-income* family in any of the following categories:

A low-income family that has been "continuously assisted" under the 1937 Housing Act. (An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program. Programs include Public Housing, all Housing Choice programs, and all Section 23 programs).

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173

- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

*Note: Once families are briefed their annual income is “frozen” until lease up. If the families acquire additional income, the additional income will be verified and reviewed and added as an interim AFTER LEASE UP. However, if the additional income puts the family over the very low-income limit for the program before leaseup, the family’s voucher will be withdrawn and the family will be denied admittance to the program.*

**For admission to the program (initial lease-up):** The family must be within the extremely low-income limit, or the very low-income limit of the HACM’s jurisdiction. HACM will pull 75% of targeted income at the extremely low-income limits. Local preferences will adhere to this income targeting, as well as the Family Unification Program.

A family that is continuously assisted under the 1937 Housing Act is excluded from income targeting requirements and is not included in the percentages for income targeting. An applicant is a continuously assisted family if the family has received assistance under any 1937 Housing Act program. Programs include public housing, all Housing Choice Voucher programs, all Section 23 programs. Also excluded from income targeting are the following:

A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

A low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.

A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.101.

A low-income family residing in a HUD-owned multifamily rental housing project when the project is sold, foreclosed or demolished by HUD. (Certificate program only.)

A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

**Portability:** For new admissions, port in families must be within the very low-income limit of the HACM’s jurisdiction.

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

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

An applicant family will have a 90-day period during which they may become a program participant, even if the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of 6 years. An extension of one additional 90-day period must be granted if the HACM determines that, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant.

All members of the family must either:

1. Submit a VALID Social Security Number documentation; or
2. Sign a certification that they have not been issued a Social Security Number. If the family member is under the age of 18 at the time of admission, the certification can be executed by his or her parent or guardian. Any family member who obtains a Social Security Number after or during admission shall submit the documentation with seven (7) calendar days of the Social Security Number being issued; or
3. If the person discloses their Social Security Number but cannot provide verification, they must sign a certification and provide verification within 90 days. Elderly persons must provide verification within 120 days.

Failure to furnish verification of a VALID Social Security Number or to report the receipt of a VALID Social Security Number, or report to the HACM of an invalid Social Security Number will be grounds for denial or termination of assistance.

**E. 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. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD. For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined. Families will not be admitted to the Program until each family member's eligibility has been verified under the non-citizenship rule.

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 and is not eligible for assistance.

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

### **Verification of Status Before Admission**

The HACM will not provide assistance to families until each family member's eligibility or ineligibility has been verified. The HACM will not provide assistance until the verification of *eligibility* for the individual family member or at least one member of the family has been made.

### **F. OTHER CRITERIA FOR ADMISSIONS** [24 CFR 982.552(b)]

If an applicant is or has been a victim of domestic violence, dating violence or stalking, this is not an appropriate basis for denial of program assistance or for denial of admission if the applicant otherwise qualifies for assistance or admission

A family will be denied admission to the program if any member of the family fails to sign and submit consent forms for obtaining information required by HACM, including Form HUD-9886.

The HACM will apply the following criteria, in addition to the HUD eligibility criteria, as additional grounds for denial of admission to the program.

- *Note: The family may be permanently prohibited from admission to the Housing Choice Voucher Program if they were previous participants in the Program or any other federally assisted housing and were terminated for any reason. An exception may be granted by the HACM, based on all the information presented on a case-by-case basis.*
- The Family must have not have violated any family obligation.
- If any member of the family has ever been evicted from federally assisted housing.

- If a Housing Authority has ever terminated assistance under the Certificate or Voucher Program for any member of the family.
- The family must have paid any outstanding debt owed to the HACM or other housing authority or amounts paid to the owner by a housing authority as a result of prior participation in any federal housing program. The family will be required to pay the balance in full prior to final eligibility determination, but not before being placed on the waiting list. If the debt is not paid in the designated time period set by the HACM during the eligibility process, the application will be withdrawn. The family must submit a new application. In no case will the debt be forgiven.
- If any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- If any family member has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.

Abusive or violent behavior toward Housing Authority personnel includes verbal as well physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult, harass, or intimidate, may be cause for termination or denial.

Threatening refers to oral or written threats, suggestions, or physical gestures that communicate intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination.

- The family's action or failure to act.
- If any member of the family fails to sign and submit consent forms for obtaining information.
- If any member of the family does not submit required evidence of citizenship or eligibility immigration status, or if there is no eligible member of the family.
- If any household member is currently or has engaged in drug related criminal activity or violent criminal activity. The minimum exclusion shall be 5 years. HACM may consider extenuating circumstances in appropriate cases. (The Five-year minimum time period is only for new admissions and does not pertain to family members who were terminated from the program due to drug related or violent criminal activity, or

other criminal activity. That may be a permanent prohibited admission to the program.)

- If any household member is currently engaged in or has engaged in other criminal activity which may threaten the health or safety of the premises by, other residents, or persons residing in the immediate vicinity or which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the HACM, including a HACM employee, contract or subcontractor or agent.
- If any household member is subject to a lifetime registration requirement under a State sex offender registration program, they are permanently prohibited from admission to the Housing Choice Voucher Program.
- If any household member has been convicted of manufacturing or producing methamphetamine in a building or complex assisted under the public housing or Housing Choice Voucher Programs, they are permanently prohibited admission to the Housing Choice Voucher Program.
- If any household member has an abuse or pattern of abuse of alcohol that may adversely affect the health or safety of, or the right to peaceful enjoyment of the premises by, other residents and persons residing in the immediate vicinity of the premises or if the HACM believes it has reasonable cause to believe the family member has in the past *five years* a criminal record that substantiates the pattern of abuse of alcohol.

The HACM **may** waive or reduce the minimum *five-year time period requirement* for drug use or alcohol abuse or other criminal activity of a household member if:

- The circumstances leading to the eviction or termination no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated; or
- If the person engaging in the activity has successfully completed a supervised drug or alcohol rehabilitation program; or
- Has otherwise been rehabilitated successfully; or
- Is participating in a supervised drug or alcohol rehabilitation program.

Families with drug-related, violent criminal activity, or other criminal activity older than five years will be considered for admission to the program on a case-by-case basis.

**Criminal Background Checks:**



The Housing Authority will conduct criminal background checks on all adult members of the family at time of consideration of eligibility.

Background checks and denials based thereon may occur before or after admission and/or occupancy to the program.

### **Purpose**

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize and/or harass neighbors. It is the intention of the Housing Authority of the County of Merced to fully endorse and implement a policy, which is designed to:

Help create and maintain a safe and drug-free community

Keep our program participants free from threats to their personal and family safety

Support parental efforts to instill values of personal responsibility and hard work

Help maintain an environment where children can live safely, learn and grow up to be productive citizens

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

### **Administration**

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

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

The fact that an applicant or tenant was arrested for a disqualifying offense shall not be treated or regarded as proof that the applicant or tenant engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the applicant or tenant actually engaged in disqualifying criminal activity. As part of its investigation, HACM may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The HACM may also consider any statements made by witnesses or the applicant or tenant 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 determine whether or not the applicant or tenant engaged in disqualifying activity.

### **Screening of Applicants**

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

Such screening of new admissions will apply to any member of the household who is 18 years of age or older or who is an emancipated minor, including a live-in aide. Criminal background checks will also be conducted on any adult being added to a participant's family composition, including a live-in aide.

All adult members of families who port into HACM's jurisdiction, whether a new admission or a participant, will be screened for criminal background history.

Any violations as stated in the above paragraphs will be grounds for termination/denial of admission.

### **HUD Definitions**

Drug-related criminal activity is 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*.

Premises is defined as the building or complex in which the dwelling unit is located, including common areas and grounds. (Federal Register 2/18/99-QHWRA Initial Guidance)

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity is being engaged in by any family member, which could include a live-in aide.

Other criminal activity includes criminal activity, which may threaten the health or safety of the owner, property management staff, HACM employee, residents of the premises, or persons residing in the immediate vicinity of the premises.

### **Standard for Violation**

The HACM will deny participation in the program to applicants and terminate assistance to participants in cases where the HACM determines there is reasonable cause to believe that the person (person also can include a live-in aide) is either illegally using a controlled substance, or if the person abuses/abused alcohol, or engages/engaged in violent criminal activity, or commits/committed any other criminal activity that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises), or by persons residing in the immediate vicinity of the premises.

“Engaged in or engaging in” violent criminal activity means any act by applicants or participants, household members, or guests which involves criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person of another, which did or did not result in the arrest and/or conviction of the applicant or participant, household members, guests, or live-in aide.

### **Housing Authority Discretion**

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the HACM has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The HACM may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The HACM may permit the other members of a family to continue in the program.

### **Notice of Denial of Assistance**

In any case where the HACM decides to deny assistance to a family, the HACM must give the family written notice which states:

The reason(s) for the proposed denial,

The family's right, if they disagree, to request an Informal Review

The date by which a request for an informal review must be received by the HACM.

### **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. The HACM may deny or terminate assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

*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.

- The HACM may pursue fact-finding efforts as needed to obtain credible evidence; however, the HACM may deny or terminate assistance based only on preponderance of evidence as stated above.

### **Domicile (Primary Residence/Legal Residence)**

Domicile is defined as a family's legal place of residence. It is the location where an individual or individuals claim their residence of first choice and spend a significant amount of their time residing at that location and caring about their affairs through that location. Domicile may be established by at least two of the following documents:

1. An individual receiving correspondence at that address;
2. An individual having a vehicle or vehicles registered with that address;

3. An individual listing the residence address on their driver's license or other personal identification cards or listings;
4. An individual listing the residence in connection with any employment of that individual;
5. An individual whose name is listed at the residences addressed for purposes of utility bills or other services provided at that residence address;
6. An individual who uses the residence address to register to vote;
7. Attendance of dependents at a primary or secondary school;
8. Filing a homeowner's property tax exemption;
9. Renting or leasing a home for use as a residence;
10. Recent marriage or divorce records issued in California;
11. Recent California court documents showing an address; or
12. Police records from a California law enforcement agency.

Documents **not acceptable** as verification of residency are:

- A declaration or an affidavit can only be used in support with at least two of the above verifications:

Domicile residence can also be established on the basis that an individual is observed, on a frequent basis departing from and returning to the residence. Domicile residence can further be established if an individual has resided at the residence in the capacity of a guest or visitor for a majority of any two week period of time, or a total of thirty (30) days in a 12 month period.

#### **G. TENANT SCREENING** [24 CFR 982.307]

The HACM will take into consideration any of the admission criteria described in this Chapter as well as Chapter 15, "Denial or Termination of Assistance" but will not screen for family behavior or suitability for tenancy. The HACM will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before HACM approval of the tenancy, the HACM will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as: [24 CFR 982.307(a)(3)]

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and
- Compliance with other essential conditions of tenancy.

### **Information to Owners Regarding Housing Choice Voucher Clients**

Federal Regulations (24 CFR 982.307) require that the PHA must give the owner the family's current address (as shown in the PHA records); and the name and address (if known to the PHA) of the owner at the family's current and prior address.

The HACM has adopted the following additional policy regarding information that is provided to your current or prospective owner:

The HACM will provide information in the HACM possession about the family composition, and rating of past housekeeping. Income amounts and income sources will not be provided to the owner, nor unverified sources of information that are in the family's files, i.e. anonymous phone calls.

The HACM will give the same types of information to the owners for all families.

The HACM will advise families how to file a Fair Housing complaint if they have been discriminated against by an owner. The HACM may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

### **H. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT**

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or Total Tenant Payment. For example, if a family goes over the very low-income limit prior to lease up, the applicant will no longer be eligible for the

program. They will be notified in writing of their ineligible status and their right to an informal review.

Once families are briefed their annual income is "frozen" until lease up. If the families acquire additional income, the additional income will be verified and reviewed and added as an interim AFTER LEASE UP. However, if the additional income puts the family over the very low-income limit for the program before leaseup, the family's voucher will be withdrawn and the family will be denied admittance to the program.

If the HACM is pulling an application pool off the waiting list of families at or below 30% of median income; and if a determination is made by the HACM staff before issuance of the voucher, that some families are above the 30% of median income, these families will be put back on the waiting list with the same date and time and, if applicable, local preference, until such time as applicants are being pulled who are above the income targeting rate of 30% of median income.

#### **I. 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 informal review, or an informal hearing if they were denied due to noncitizen status. See Chapter on, "Complaints and Appeals" for additional information about reviews and hearings.

#### **J. PROHIBITED ADMISSIONS CRITERIA** [24 CFR 982.202(b)]

Admission to the program may not be based on where the family lives before admission to the program.

*Note: If family did not have a domicile residence in Merced County at the time of application, then the family must lease up in Merced County for one year before using portability features.*

Admission to the program may not be based on:

Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock.

Discrimination because a family includes children.

Whether a family decides to participate in a family self-sufficiency program; or

Other reasons as listed in the "Statement of Policies and Objectives" chapter under the Fair Housing and Reasonable Accommodations sections.

## Chapter 4

### WAITING LIST AND TENANT SELECTION

[24 CFR 982.54, 982.203 - 207]

#### **INTRODUCTION**

This chapter will explain the HACM's policies for managing the waiting list and selecting families for HCV assistance. It also specifies the methods used to ensure that HACM has the information needed to make a final eligibility determination.

#### **WAITING LIST ESTABLISHMENT [24 CFR 982.204 and 205]**

HUD requires the HACM to maintain a single waiting list for the HCV program unless it serves more than one county or municipality.

At the time of the pre-application, any information indicating the applicant may qualify for a local preference (e.g., an applicant's certification that they reside within the jurisdiction qualifying them for the Residency Preference) will be accepted without verification. Actual entitlement for a local preference will be verified at initial eligibility determination.

The waiting list will be maintained in accordance with the following guidelines:

- The pre-application will be a permanent file.
- Pre-applications must include as a minimum the following information to be placed on the preliminary waiting list with the following information about each applicant:
  - 1) name
  - 2) family unit size
  - 3) date and time of the completed pre-application
  - 4) information pertaining to possible qualification for a local preference
  - 5) race and ethnicity of the head of household
- Pre-applications taken by a method other than lottery or random methodology will be maintained in order of date and time.

#### **APPLICANT STATUS WHILE ON WAITING LIST [CFR 982.202 (c), 982.204]**

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

Applicants are required to inform the HACM in writing of changes of their address within 10 business days of the occurrence. This will also assist the HACM in establishing and maintaining a current and updated waiting list to effectively plan for future pre-application intake. Applicants are also required to respond to requests from the HACM to update information on their pre-application, or to determine their continued interest in assistance.



Families who are ineligible for the reason of only owing a debt to the HACM or any other Federal Housing Program will be allowed to have their pre-application placed on the waiting list. When the family is interviewed for placement into the Housing Choice Voucher Program, the family must pay the debt in full before the final eligibility process will continue.

If the family is determined to be ineligible based on the information provided in the pre-application, the HACM will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 19 on, "Complaints and Appeals."

The waiting list will be maintained with accurate information.

### **APPLICANT PORTAL**

The Applicant Portal has been established for persons that make a pre-application with Housing Authority of the County of Merced Housing Authority (HACM) so that they may create an on-line account to review and update their personal information, including their current address, as well as indicate their continued interest in remaining on the waiting list. As our primary mode of communication with the applicant is by mail, it is critical that we have a valid, current address at all times so that we will be able to make contact with the applicant.

### **PURGING THE WAITING LIST [24 CFR 982.204 (c)]**

The primary goal in purging a waiting list is to obtain current information on interested applicants and to remove applicants no longer interested in participating in the program.

The waiting list will be purged as needed to ensure that all applicants and applicant information is current and accurate. To update the waiting list, the HACM will send an update request via first-class mail or e-mail to each family on the waiting list. The applicant will be asked whether the family continues to be interested in the program and will provide a deadline by which the family must respond. This update request will be sent to the last mail and/or e-mail address that the HACM has on record for the family. The collection of this form may be in an electronic format at the HACM's prerogative.

If no response is received by the deadline, the applicant is removed from the waiting list.

### **GROUND FOR CANCELLATION FROM THE WAITING LIST**

The HACM will cancel the pre-application when the applicant does not respond to the HACM's request for response by a specific date, failure to attend a scheduled appointment or if a letter is returned by the Post Office.

Any mailings to the applicant which require a response by a specific deadline will state that failure to respond by the deadline will result in the applicant's name being removed from the waiting list.

If a letter is returned by the Post Office, the pre-application will be canceled without further notice, and the envelope and letter will be maintained in the file. Applicants may be reinstated after the HACM has conducted a review of the case and is approved. If the applicant did not respond to the HACM request for information or updates because of a family member's

disability, this fact will be verified and documented, and the HACM will reinstate the applicant in the family's former position on the waiting list.

**SELECTION FROM THE WAITING LIST FOR ADMISSION** [24 CFR 982.207].

As vouchers become available for admission, the HACM will select from its waiting list. Preference and application information will be verified and updated.

**METHOD OF SELECTION** [24 CFR 982.202(d) and 982.207 (c)]

The HACM selects families from the waiting list according to preferences, lottery number and/or the date and time of the pre-application.

Families who are selected from the waiting list shall be contacted by the HACM to complete a full intake packet for occupancy. Applicants may not retain their place on the waiting list if they refuse to complete the application process.

The HACM will conduct its method of selection so there is a clear audit trail that can be used to verify each applicant has been selected in accordance with the method specified in this administrative plan.

In the event eligibility information, such as criminal background checks, is received or obtained after an applicant is issued a voucher, that information, if it shows ineligibility, will be used to deny/terminate admission/assistance in HCV Program.

**INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION** [24 CFR 982.207]

At the time of pre-application, an applicant's entitlement to a Local Preference may be made on the following basis:

- An applicant's self-certification that they qualify for a preference will be accepted at time of pre-application. **When the family is selected from the waiting list for the final determination of eligibility, the preference will 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 and given an opportunity for an informal review.

If an applicant is found to have provided false documentation in order to qualify for a Local preference, the HACM will permanently deny admission to the program for the family, and the family will be given an opportunity for an informal review.

Local preferences will not have the effect of disproportionately delaying or denying assistance to members of protected classes (race, color, religion, sex, national origin, age, familial status, disability, sexual orientation or gender identity of any member of an applicant family).

**LOCAL PREFERENCES** [24 CFR 982.207]

The HACM may establish local preferences based upon housing need and priorities as determined by the agency. The local preferences are consistent with HACM's plan, the

Consolidated Plan, and based on local housing needs and priorities. HACM will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the wait list.

Except for Targeted/Special Admissions: HUD VASH Program, Limited Preferences, and special non-waiting list admissions, applicants for Housing Choice Voucher Program assistance will be taken from the Housing Choice Voucher Program waiting list in order of the following local preferences:

Points:

**250 Independent Living Skills Program:** The HACM will designate 20 vouchers per calendar year dependent upon availability of funding. Foster youth/young adults transitioning from foster care and who lack adequate housing or are at risk for homelessness. Must be referred by partnering agency where MOU is in place.

**100 Homeless Preference:** The HACM will designate 100 vouchers per calendar year dependent upon availability of funding. Families who are referred to the HACM by a partnering homeless service organization that is a member of the Merced County Continuum of Care's centralized/coordinated assessment system and who meet the following criteria:

- An individual or family who lacks a fixed, regular and adequate nighttime residence meaning:
  - ✓ An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state or local government programs for low-income individuals)
  - ✓ An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
  - ✓ A primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground
- Any individual or family who:
  - ✓ Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; **and**
  - ✓ Has no other residence; **and**
  - ✓ Lacks the resources or support networks, e.g. family, friend, and faith-based or other social networks, to obtain other permanent housing

This preference shall be limited to applicants based on certification/referrals from identified agencies with which HACM has a written agreement. Eligibility criteria for referral will be developed by the referring agency in conjunction with the HACM.

If it is determined that an applicant does not meet the criteria described therein, the applicant will lose their preference points and will be returned to applicable HACM waiting list/s.

- 100 Veteran Preference:** Current members of the military, veterans, or surviving spouses of veterans may qualify for this preference. Applicants must provide proof of honorable discharge. If discharge is less than honorable, applicant must provide proof of eligibility to receive veteran benefits.
- 10 Involuntarily Displaced:** Families who have been displaced due to a locally declared disaster, state declared disaster, federally declared disaster or other national emergency. It will also be given to those families that are involuntarily displaced by HACM action (emergency relocation, extensive rehabilitation and insufficient funding or other local disasters) as approved by Executive Director.
- 10 Residency Preference:** Families who live, work, or have been hired to work within Merced County and /or residents. Applicants who are working or who have been notified that they are hired to work in a residency preference area must be treated as residents of the residency preference area.
- HUD regulations state that a residency preference must not be based on how long an applicant has resided or worked in a residency preference area.
- 10 Elderly or Disabled Person Preference:** An elderly preference applies if the head, spouse or co-head are a person who is age 62 or older. A disabled person preference applies if the head, spouse or co-head receives Social Security or Supplemental Security benefits or otherwise meets the definition of disabled as defined under Section 223 of the Social Security Act.

**AMONG APPLICANTS WITH EQUAL PREFERENCE STATUS**

In the event two or more applicants with identical preferences are eligible for placement on the waiting list, their order of placement will be determined by the order in which the family was randomly selected in the lottery process or the date and time of pre-application if a lottery was not conducted.

## **INCOME TARGETING**

At least 75% of the families admitted to the HACM's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

## **PREFERENCE DENIAL [24 CFR 5.415]**

If HACM denies a preference, HACM will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. If the preference denial is upheld, as a result 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. Applicants may exercise other rights if they believe they have been discriminated against.

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

## **CHANGE IN CIRCUMSTANCES**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify HACM in writing or via Applicant Portal when their circumstances change. When an applicant claims an additional preference, they will be placed on the waiting list in the appropriate order determined by the newly-claimed preference. The exception to this is, if at the time the family applied, the waiting list was only open to families who claimed that preference. In such case, the applicant must verify that they were eligible for the first preference before they are returned to the waiting list with the new preference.

If the family's verified annual income at final eligibility determination does not fall under the extremely low-income limit and the family was selected for income targeting purposes before family with a higher preference, the family will be returned to the waiting list. In addition, while the family is on the waiting list, the family must immediately inform HACM of changes in contact information, including current residence, mailing addresses and phone number. The changes must be submitted in writing or via Applicant Portal.

Families that qualify for a specified category of program funding (targeted funding) may be selected from the waiting list ahead of higher placed families that do not qualify for the targeted funding. However, within any targeted funding category, pre-applications will be selected on a first-come, first-served basis according to the date and time their complete pre-application is received or the assigned lottery number. Documentation will be maintained by the HACM as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the HACM does not have to ask higher placed families each time targeted selections are made.

**OTHER HOUSING ASSISTANCE [24 CFR 982.205(b)]**

Other housing assistance means a federal, state, or local housing subsidy, as determined by HUD, including public housing.

The HACM may not take any of the following actions because an applicant has applied for, received, or refused other housing: [24 CFR 982.205(b)]

- Refuse to list the applicant on the HACM waiting list for tenant-based assistance;
- Deny any admission preference for which the applicant is currently qualified;
- Change the applicant's place on the waiting list based on preference, date and time of pre-application or other factors affecting selection under the HACM selection policy; or
- Remove the applicant from the waiting list.

**FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY [24 CFR 982.201]**

After the verification process is completed the HACM will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the HACM, and the current eligibility criteria in effect. If the family is determined to be eligible, the HACM will either hand-deliver the notification at time of eligibility interview, mail, email or verbally notify the family of eligibility and orientation briefing.

If the family is not eligible, a letter will be sent denying admission with the reason given. Family will be provided an opportunity for an informal review.

## Chapter 6

### FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION

[24 CFR Part 5, Subparts E and F; 982.153, 982.317, 982.551]

#### INTRODUCTION

The HACM will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and reexamination 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

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. The HACM's policies in this Chapter address those areas which allow the HACM discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

#### A. INCOME AND ALLOWANCES [24 CFR 5.609]

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

*Note: "Payee Income" received through the Social Security Administration by Head or Spouse for persons that do not reside in the subsidized household **will not** be included in the total family income. According to the Social Security Administration regulations, a Representative Payee is "authorized and directed to apply benefits certified on behalf of a beneficiary only for the use and benefit of the beneficiary."*

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

Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in sections. "Excludable Income" and "Federally mandated Income Exclusions" located later in this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Annual income includes, but is not limited to:

- (1) the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business of profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service Regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only described in the paragraph above, authorized in paragraph (b)(2) of this section. Any withdrawal of cash or asset from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed



start of a periodic amount (except lump-sum payments caused by delays in processing periodic payments for Social Security or SSI are not included as income);

- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (6) Welfare assistance payments. (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments: (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and (B) are not otherwise excluded.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (except special pay to a family member serving in the Armed Forces who is exposed to hostile fire).
- (9) Any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.

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 or spouse) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
2. Elderly/Disabled Allowance: \$400 per family for families whose head or spouse is 62 or over or disabled.
3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.
4. Child Care Expenses: Deducted for the care of children under 13 when child care is necessary to allow an **adult** member to work, attend school, or actively seek employment.
5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an **adult** family member to work.

**Excludable Income:**

The following kinds of income are excluded:

- Any subsidy received for transitional prescription drug assistance and any discounts negotiated in connection with the Medicare prescription drug discount card
- Income from employment of children under the age of 18
- Payments received for foster children under the age of 18
- Payments received for foster children or foster adults including SSI/SSA
- Lump sum additions to the family assets (counted as assets)
- Medical reimbursements
- Income of live-in aide
- Full amount of student financial assistance (tuition and expenses related to attending an institution of higher education)\*
- Special armed forces pay
- Resident service stipends
- Sporadic income
- Holocaust reparation payments
- Earning for full-time students in excess of \$480 for each student 18 years or older (excluding spouse)

\* Except for a person over the age of 23 with dependent children.

**B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES** [24 CFR 5.617; 982.201(b)(3)]

A disabled family qualified for the earned income disregard (EID) is a disabled family that is receiving tenant-based rental assistance under the Housing Choice Voucher Program; and

1. Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
2. Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any State program for temporary assistance for needy families (TANF). The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500. The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

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

Amounts to be excluded are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

Once a family member is determined to be eligible for the EID, the 24-calendar month period starts;

If the family member discontinues the employment that initially qualified the family for the EID, the 24-calendar month period continues;

During the 24-calendar month period, EID benefits are recalculated based on changes to family member income and employment;

During the first 12-calendar month period, HACM will exclude all increased income resulting from the qualifying employment of the family member. After the first 12-calendar month period, HACM will exclude from annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member's income before the qualifying event (i.e., the family member's baseline income);

The EID benefit is limited to a lifetime 24-month period for the qualifying family member;

At the end of the 24 months, the EID ends regardless of how many months were "used".

### **Applicability to Child Care and Disability Assistance Expense Deductions**

The amount deducted for child care and disability assistance expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for disabled families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for child care and disability assistance expense deductions.

### **Tracking the Earned Income Exclusion**

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

Such documentation will include:

Date the increase in earned income was reported by the family

Name of the family member whose earned income increased

Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income

Amount of the increase in earned income (amount to be excluded)

Date the increase in income is first excluded from annual income

Date(s) earned income ended and resumed during the first 12-calendar month period of exclusion (if any)

Date the second 12-calendar month period began (phase-in)

Ending date of the maximum 24-month (two-year) disallowance period  
The HACM will maintain a tracking system to ensure correct application of the earned income disallowance.

**C. MINIMUM RENT** [24 CFR 5.616]

"Minimum rent" is \$50. Minimum rent refers to the Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

**Hardship Requests for an Exception to Minimum Rent**

The HACM recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The HACM will review all relevant circumstances brought to the HACM's attention regarding financial hardship as it applies to the minimum rent. The following section states the HACM's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. [24 CFR 5.630]

**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, including a family with a member who is a noncitizen lawfully admitted permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility Act and Work Opportunity Act of 1996.

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

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

- Loss of employment
- Death in the Family
- Other circumstances as determined by the HACM or HUD

### **HACM Notification to Families of Right to Hardship Exception**

When families question their rent under the minimum rent, the HACM will advise the family of their right to request a minimum rent hardship exception. "Subject" to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly adjusted income, 10% of monthly income, minimum rent or welfare rent.

The HACM will also advise the family that hardship exception determinations are subject to HACM's review and hearing procedures.

The HACM 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.

The HACM will request documentation as proof of financial hardship; the HACM will use its standard verification procedures to verify circumstances, which have resulted in financial hardship.

### **Suspension of Minimum Rent**

The HACM will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until the HACM determines whether the hardship is:

- Covered by statute
- Temporary or long term

"Suspension" means that the HACM must not use the minimum rent calculation until the HACM has made the 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 the HACM determines that the minimum rent is not covered by statute, the HACM will impose a minimum rent including payment for minimum rent from the time of suspension.

### **Temporary Hardship**

If the HACM 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 the suspension.

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

### **Long-Term Duration Hardships** [24 CFR 5.616(c)(3)]

If the HACM determines that there is a qualifying long-term financial hardship, the HACM must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family's request for exemption.

### **Retroactive Determination**

The HACM will reimburse the family for any minimum rent charges which took effect after October 21, 1998, that qualified for one of the mandatory exceptions.

If the family is owed a retroactive payment, the HACM will provide reimbursement in the form of a cash refund to the family.

The HACM's definition of a cash refund is a check made out to the family.

## **D. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**

[24 CFR 982.54(d)(10), 982.317, 982.551]

The HACM must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the HACM must count the income of the spouse or the head of the household if that person is temporarily absent. A temporarily absent member of the family will be shown as a member of the family on the lease.

Temporarily absent is defined as a member of the family who is away from the home due to, including but not limited to: military duty, for schooling, for a job – such as a spouse, who would normally live in the unit.

Temporarily absent is defined as away from the unit for more than 90 days.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

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

### **Absence of Any Member**

Any member of the household will be considered permanently absent if s/he is away from the unit for 60 consecutive days except as otherwise provided in this Chapter. Members of the family who are in the military, members who are away from school, and members who are away from home due to a job are excluded as a permanently absent member, and considered a temporarily absent member, except for full time students. (See full time student below)

### **Absence due to Medical Reasons**

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HACM will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 consecutive 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 the HACM's "Absence of Entire Family" policy.

### **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 full time student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Voucher size.

### **Absence due to Incarceration**

If the sole member is incarcerated for more than 60 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 60 consecutive days.

The HACM will determine the reason for incarceration for consideration of taking action as appropriate.

### **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, the HACM will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 6 months from the date of removal of the child/ren, the Voucher size will be reduced at the anniversary date or at time of the family moving, whichever comes first.

### **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, the HACM will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

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

Families are required both to notify the HACM before they move out of a unit and to give the HACM information about any family absence from the unit.

Families must notify the HACM if they are going to be absent from the unit for more than 14 consecutive days.

If the entire family is absent from the assisted unit for more than 60 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit, the HACM will not continue assistance payments.

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

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Check with the post office
- Notice from owner of unit

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond 180 consecutive calendar days.

If the absence which resulted in termination of assistance was due to a person's disability, and the HACM can verify that the person was unable to notify the HACM in accordance with the family's responsibilities, and if funding is available, the HACM may reinstate the family as an accommodation if requested by the family, as long as the period was within 180 days.

### **Caretaker for Children:**

If neither parent remains in the household nor the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the HACM will treat that adult as a visitor for the first 60 days.

If by the end of that period, court-ordered custody or legal guardianship has been ordered to the caretaker, the Voucher will be transferred to the caretaker.

If custody or legal guardianship has not been ordered by the court, but the action is in process, the HACM will secure verification from social services staff or the attorney as to the status.

If custody is ordered for a limited time in excess of stated period, the transfer of the voucher is for a limited time. The HACM will use discretion as deemed appropriate in determining any further assignation of the Voucher on behalf of the children.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

The HACM will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 60 days/months and it is reasonable to expect that custody will be granted.

When the HACM approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. The HACM will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 2 months, the person will be considered permanently absent.

The family will be required to notify the HACM in writing within ten (10) business days when an adult family member moves out, or abandons the unit.

**Minor coming into home:**

If a participant on the program wants to allow a minor in the household who is not a child of any of the family members, the participant must provide all required papers for addition of a family member AND must get prior approval if there is not any court order regarding custody of child. The following must be acquired by the family to permanently add minor to family composition:

- Legal custody papers – court order as indicated in the above paragraphs under Caretaker. (Notarized statement not acceptable)
  - 60 days to provide paperwork for court ordered custody or legal guardianship.
  - If custody or legal guardianship has not been ordered by the court, but the action is in process, the HACM will secure verification from social services staff or the attorney as to the status.
- Written approval from the owner of the unit

During this time period, the minor child can be residing in unit if prior approval received from owner.

**FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY**

Family Breakup (24CFR 982.315)

Except under the following conditions, the HACM 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 HACM must ensure that the victim retains assistance.
- If a court determines the disposition of property between the members of an assisted family members continue to receive assistance.

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 make 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 receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision or an agreement among the original family members, the HACM will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, the HACM 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 the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; (5) the recommendations of social service professionals; and (6) given to the adult member who initially applied, if another adult member was added at a later time.

*Note: If an adult member requests residual rights to the Voucher (head of household requests that other adult member receive the Voucher), the adult member who wishes to receive the Voucher, must have been an approved member of the household by the HACM for at least 6 months.*

The HACM shall require verification of the above circumstances. If either or both of the families do not provide the documentation requested by the HACM, termination of the Voucher for failure to supply requested verifications will occur.

### **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 an assisted family who remains in the unit when other members of the family have left the unit. 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-D, for the policy on “Caretaker for a Children.”

A reduction in family size may require a reduction in the voucher family unit size.

### **Live In Aides**

A Live in Aide will not be approved to reside in the unit if the HUD definition of a live in aide is not met. Also, the HACM will also not approve the addition of the live in aide in the unit in any of the following cases:

1. The live in aide has been on a federal housing program and evicted from public housing or terminated from Housing Choice Voucher due to program violation.
2. The live in aide owes any amounts of money to any federal housing program.
3. The live in aide has drug related criminal activity or violent criminal activity as pertains to this administrative plan, or HUD regulations.
4. The live in aide has employment outside of the home.
5. Another person is residing in the unit who is capable of providing the care for participant.
6. Participant requiring live in aide must supply the HACM with verification from a reliable, knowledgeable professional, such as a medical doctor, social worker or caseworker. The verification must demonstrate that a live-in aide is necessary and the family would not be equally well served by a home health care service or a care provider who does not live in the unit. This verification will be required to be given to the HACM not only at the initial time the live-in aide begins to reside in the subsidized unit but at every annual re-certification thereafter.
7. No other additional family members of live in care attendant may reside in unit with participant.

In instances where the family receives payments from Human Services through the In Home Supportive Services (IHSS) program, the live-in aide reported to the HACM must be the same person on record with IHSS.

The HACM may deem it necessary to re-verify the necessity of a live-in aide at any time.

The live-in aide's qualification for housing occupancy terminates when the individual needing the supportive services leaves the unit or fails to qualify for continued occupancy, or when the need for live-in aide assistance ceases. The live-in aide does not qualify for continued occupancy as a remaining member of the tenant family, even if they are related by blood, marriage or operation of law.

### **Visitors**

Visitors are not members of the family. If the person is a visitor and does not intend to become a "permanent" member of the family, the HACM does not have to consider this a change in family composition.

Any adult not included on the HUD 50058 who has been in the unit more than fourteen (14) consecutive days (construed as overnight stays), or a total of 30 days in a 12 month period, will be considered to be living in the unit as an unauthorized household member.

Statements from neighbors and/or the landlord, as well as all other evidence presented, will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose shall be construed as permanent residence and/or primary residence.

Primary residence, as defined in legal opinion dated 9/11/90, and stated in the glossary terms, will be in effect for this HACM.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the HACM will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 120 calendar days per year without being considered a member of the household.

**Joint Custody of Children:**

If children are a part of an assisted household pursuant to a court order joint custody agreement, a document from the court indicating the nature of the custody should be submitted.

Children who are subject to a joint custody agreement but live in the unit at least 50% of the time will be considered members of the household. If both families are on the program or the waiting list, the child may be claimed by only one parent. The parents will be encouraged to make a decision as to which parent claims the child as a family member. (This does not pertain to the Family Unification Program in which families are reunited and may not have 50% custody of children but need a unit in order for the courts to allow family to have custody of children for certain period of time)

If there is no agreement by both parties, "50 percent of the time" is defined as 182 days of the year, (which do not have to run consecutively).

In some instances both parents will have joint custody of a child, and the child will reside with one parent more than 51 percent of the time, but the other parent will receive the TANF benefits. In these cases the HACM will do an investigation with the welfare department and will make a determination based on that investigation.

Other factors that the HACM will consider to determine subsidy standard and/or deductions are:

- Which family takes child as dependent on most recent Federal Income Tax Return.
- School records showing address of child.
- Who pays for the primary medical care of child.
- Any other court documents pertaining to custody or details of support for the child.

### **Reporting Additions to Owner and HACM**

Reporting changes in household composition to the HACM is both a HUD and a HACM requirement.

The family obligations require the family to request HACM approval to add any other family member as an occupant of the unit and to inform the HACM of the birth, adoption or court-ordered custody of a child. The family must request prior approval from the HACM to add additional family members to the household by completing a change packet at the receptionist desk. This includes a request for a live in aide. If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations.

If the family does not obtain prior approval from the HACM, any person the family has permitted to move in will be considered an unauthorized household member, except a visitor.

In the event that a visitor continues to reside in the unit after the maximum allowable time, the visitor will be considered an unauthorized household member, and the HACM may take action to terminate the participant from the program.

Families are required to report any additions to the household, due to birth, adoption or court-ordered custody of a child, in writing to the HACM within 10 business days of the change.

In addition, the HACM will require the family to obtain prior written approval from the owner when there are additions to the family composition, unless the addition is due to birth, adoption or court-ordered custody.

An interim reexamination will always be conducted for any additions or deletions of family members, time permitting. Priority of interims for family compositions will be those changes of family composition which will result in a reduction of tenant's share of rent. Any other changes that occur that result in the same rent or increase of tenant's share of rent will be processed as time permits.

### **Reporting Absences to the HACM**

Reporting changes in household composition is both a HUD and a HACM requirement.

If a family member leaves the household, the family must report this change to the HACM, in writing, within ten (10) business days of the change. This includes a live in aide.

The HACM will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy, or require the family to move in instances of a smaller unit needed under the certificate program.

### **E. AVERAGING INCOME**

When Annual Income cannot be anticipated for a full twelve months, the HACM may:

1. Average known sources of income that vary to compute an annual income, or
2. Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month; this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

### **F. MINIMUM INCOME**

There is no minimum income requirement. However, families who have a monthly income of \$300 or less, are required to complete a Monthly Living Expenses Worksheet, Personal Declaration Form, Earned Income Statement and any other verification that may be required by the HACM every sixty (60) days. The forms Family Obligations, Denial of Assistance, and the Applicant/Tenant Certification need to be completed only once during this time period, but can be completed more if the eligibility specialist deems it necessary.



**G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**

[24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the HACM will calculate the Total Tenant Payment by:

- Excluding the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member; except,
- If the income of the confined family member goes directly to family member, then the income and deductions will be INCLUDED.

**H. REGULAR CONTRIBUTIONS AND GIFTS** [24 CFR 5.609]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every three months or more frequently will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)

If the family's expenses exceed its known income, the HACM will question the family about contributions and gifts.

**I. ALIMONY AND CHILD SUPPORT** [24 CFR 5.609]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the HACM must use the amount ordered by the court unless the family can verify that they are not receiving the full amount.

The HACM will accept as verification that the family is receiving an amount less than the award if:

The HACM receives verification from the agency responsible for enforcement or collection.

It is the family's responsibility to supply a certified copy of the divorce/dissolution decree.

**J. LUMP-SUM RECEIPTS** [24 CFR 5.609]

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

The HACM uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

**Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

1. The entire lump-sum payment will be added to the annual income at the time of the interim.
2. The HACM will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).
3. At the next annual recertification, the HACM will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.
4. The lump sum will be added in the same way for any interims which occur prior to the next annual recertification.

If amortizing the payment over one year will cause the family to pay the entire total contract rent as tenant rent, the HACM and family may enter into a Repayment Agreement, with the approval of the Housing Choice Voucher Director, for a partial of the lump sum receipt, not to exceed 50% of the total amount.

**Retroactive Calculation Methodology**

1. The HACM will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
2. The HACM will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the HACM.

At the HACM's option, the HACM may enter into a Repayment Agreement with the family. Otherwise, the family will need to pay the full amount due the HACM. The amount owed by the family is a collectible debt even if the family becomes unassisted.

**Attorney Fees**

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

**K. CONTRIBUTIONS TO RETIREMENT FUNDS – ASSETS** [24 CFR 5.603(d)]

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

**L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

[24 CFR 5.603(d)(3)]

The HACM must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HACM will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy, are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered as assets disposed of for less than fair market value.

The HACM's minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000. If the total value of assets disposed of within a one-year period is less than \$1,000, they will not be considered an asset.

*Checking & Savings Accounts:*

If the total of both checking and savings account balances of a family are less than \$1,000, then the HACM will not verify the assets or count the income from such assets.

Where the family has net family assets in excess of \$5,000, HACM must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

**M. CHILD CARE EXPENSES** [24 CFR 5.603]

Childcare expenses for children under 13 may be deducted from annual income where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed.

In the case of a child attending private school, only after-hours care can be counted as childcare expenses.

Childcare expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the childcare. Examples of those adult members who would be considered unable to care for the child include:

- The abuser in a documented child abuse situation, or
- A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allowability of deductions for childcare expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed cannot exceed the amount earned by the person enabled to work, which is included in the family's annual income. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

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.

**N. MEDICAL EXPENSES** [24 CFR 5.609(a)(2), 5.603]

Medicare Prescription Drug Benefits

The HACM must treat any Medicare prescription drug discount cards and transitional assistance received by a family as a standard medical deduction so that the family continues to receive a deduction for the full cost of its prescription drugs.

- This means that neither the drug discount nor the transitional assistance should be considered in reimbursement for the purpose of calculating the family's medical expense deduction.
- This also means that the HACM must verify the FULL cost of the family's prescription drugs, not the out-of-pocket cost to the family.

This includes bills credited to credit cards. Deductions will not be given, except for the monthly minimum amount the credit card company demands monthly. Deductions will not be given for medical expenses credited to some other person's credit card, such as parents of disabled person.

Medical deductions will not be given for the buying or repair or upkeep of a car, even if car is equipped for the disabled.

Medical insurance, however, is considered an anticipated medical deduction.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense, and family must furnish legible receipts.

Acupuncture, Acupressure, herbal medicines and chiropractic services will be considered allowable medical expenses.

The HACM will require a family to obtain verification on a "service" animal that:  
The animal is a certified service dog.

In addition, the HACM will require the family to obtain a doctor's verification that the family needs the animal to cope with a disability.

Medical expenses that may be allowed for a service animal include:

- food
- medical expenses, including well-care for the animal
- additional training expenses, only if it mandated by the organization where the service animal originated. Verification will be required.
- Reasonable mileage costs to obtain medical services

Medical expenses will not be given for a service animal for the following:

- Toys
- Kennel fees, unless due to hospitalization of the animal
- Expenses relating to taking animal to dog show, including fee for dog shows, mileage, kennel fees or any supplies for the service animal
- Any magazines or publications of whatever source
- Special diet food, unless with a veterinarian's written verification of the need

Under no circumstances will medical expenses be allowed for a service animal without verification of amount spent, which includes an original receipt showing address, phone number, and name of seller. In addition, credit card bills cannot be submitted in lieu of original receipts. Vague verifications, such as receipts showing "dog supplies", will not be acceptable. The receipt must reflect clearly what each item is.

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide, including the cost of mileage which will be allowed.

## **O. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES** [24 CFR 5.520]

### Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter 12, "Recertifications.") Effective November 29, 1996, Continued Assistance Families who are mixed families will now be pro-rated according to HACM's interim policy. (24CFR Part 5 Interim Rule/Revised Restrictions on Assistance to Noncitizens dated November 29, 1996) Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995, by addition of an ineligible member are entitled to prorated assistance.

### **Prorated Assistance Calculation**

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

### **P. REDUCTION IN BENEFITS DUE TO OVERPAYMENTS**

If the family's benefits of Social Security or SSI are reduced, the HACM will use the net amount of the benefit plus the cost of Medicare insurance. (Medicare insurance is given as a medical expense)

If the family's TANF benefits are reduced *through no fault of the family*, the HACM will use the net amount, whether the family is coming onto the Housing Choice Voucher Program or already a participant.

The HACM will use the gross amount of General Assistance, for which the family is eligible, even if the benefit is reduced due to a Housing Choice Voucher decrease of tenant rent.

### **Q. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS**

The HACM will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- Fraud by a family member in connection with the welfare program; or failure to Participate in an economic self-sufficiency program; or noncompliance with a work activities requirement

However, the HACM will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with other welfare agency requirements; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as result of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

### **Verification Before Denying a Request to Reduce Rent**

The HACM will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction.

The welfare agency, at the request of the HACM, will inform the HACM of:

- Amount and term of specified welfare benefit reduction for the family;
- Reason for the reduction; and
- Subsequent changes in term or amount of reduction.

### **Cooperation Agreements**

The HACM has a written cooperation agreement in place with the local welfare agency which assists the HACM in obtaining the necessary information regarding welfare sanctions.

## **R. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS**

[24 CFR 982.153, 982.517]

The HACM will maintain an up-to-date utility allowance schedule.

The Utility Allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a



family's actual consumption. The HACM will review the Utility Allowance Schedule on an annual basis and revise it if needed.

As per the FY 2014 Consolidated Appropriations Act, the utility allowance will be based on the lower of the actual unit size or the voucher bedroom size.

A family with a 2-bedroom voucher that chooses to lease a 3-bedroom unit will now have the 2-bedroom utility allowance applied. The HACM must make an exception if necessary as a reasonable accommodation for a family that includes a person with disabilities.

The new rule on utility allowances is to be applied for all new admissions. For current, program participants, the new rule must be applied at the family's next annual reexamination.

An allowance for tenant-paid air conditioning will be provided in the utility allowance for the Merced County jurisdiction.

The HACM will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

Where families provide their own range and refrigerator, the HACM will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 12 month period.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due the family [24 CFR 982.514(b)], the HACM will provide a utility reimbursement payment for the family each month. The check will be made out directly to the client.

## **SUMMARY OF ACOP CHANGES**

Below is a summary of the changes incorporated into the 2016 ACOP regarding the policies for the Low Income Public Housing program (LIPH).

### **11.0 INCOME, EXCLUSIONS FROM INCOME, AND DEDUCTIONS FROM INCOME**

- Earned Income Disallowance; Page 36
  - Revised so that the benefit now applies for a straight 24-month period and HA is no longer obligated to track the number of months due to employment starts and stops. (PIH 2016-05)
- Revised the definition of Extremely Low

### **12.0 VERIFICATION**

- Verification of Citizenship/Eligible Immigrant Status; Page 57
- Social Security Numbers; Page 58
  - Change creates a 90-day period during which an applicant family may become a program participant, even if the family lacks the documentation necessary to verify the SSN of a family member under the age of 6 years. (PIH 2016-05)
- Acceptable SSN Documentation; Page 60

### **13.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT**

- Prorated rent for mixed families; Page 69
  - Methodology for calculation public housing rents for mixed families by requiring PHA to use the established flat rent applicable to the units. (PIH 2016-05)

## **11.0 INCOME, EXCLUSIONS FROM INCOME, AND DEDUCTIONS FROM INCOME**

To determine annual income, the Merced Housing Authority counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the Merced Housing Authority subtracts all allowable deductions (allowances) to determine the Total Tenant Payment.

### **11.1 INCOME**

Annual income means all amounts, monetary or not, that:

- A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
- B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- C. Are not specifically excluded from annual income.

Annual income includes, but is not limited to:

- A. The full amount, before any payroll deductions, of wages and salaries, overtime pay commissions, fees, tips and bonuses, and other compensation for personal services.
- B. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not 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 is included in income, except to the extent the withdrawal is a reimbursement of cash or assets invested in the operation by the family.
- C. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not 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 an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

If the total of both checking and savings account balances of a family are less than \$1,000, then the HACM will not verify the assets or count the income from such assets.

Where the family has net family assets in excess of \$5,000, HACM must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

- D. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
- E. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
- F. Welfare assistance.
  - 1. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
    - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
    - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
  - 2. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would

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have received had they complied with the welfare requirements and/or had not committed an act of fraud.

3. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted as income.
- G. Periodic and determinable allowances, such as alimony, child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
- H. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)

### 11.2 ANNUAL INCOME

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses;
- D. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution;
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
  1. Amounts received under training programs funded by HUD;

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2. 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);
3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing transportation, child care, etc.) and that are made solely to allow participation in a specific program;
4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend occurring the same period of time;
5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. 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;
6. Temporary, nonrecurring or sporadic income (including gifts);
7. 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;
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
9. Adoption assistance payments in excess of \$480 per adopted child;
10. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
  - a. Comparable Federal, State or local law means a program providing employment training and supportive services that:

- i. Is authorized by a Federal, State or local law;
    - ii. Is funded by the Federal, State or local government;
    - iii. Is operated or administered by a public agency; and
    - iv. Has as its objective to assist participants in acquiring employment skills.
  - b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.
  - c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.
12. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
13. 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;
14. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
15. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:
- a. The value of the allotment of food stamps
  - b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
  - c. Payments received under the Alaska Native Claims Settlement Act
  - d. Income from sub-marginal land of the U.S. that is held in trust for certain Indian tribes
  - e. Payments made under HHS's Low-Income Energy Assistance Program
  - f. Payments received under the Job Training Partnership Act

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- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims
- i. Amount of scholarships awarded under Title IV including Work-Study
- j. Payments received under the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement
- l. Payments received under the Maine Indian Claims Act
- m. The value of child care under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the Americorps Program
- p. Additional income exclusions provided by and funded by the Merced Housing Authority

The Merced Housing Authority will not provide exclusions from income in addition to those already provided for by HUD.

### **EARNED INCOME DISALLOWANCE [24 CFR 960.255]**

A disabled family qualified for the earned income disallowance (EID) is a disabled family that is receiving rental assistance; and

Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

1. Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
2. Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any State program for temporary assistance for needy families (TANF). The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500. The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.



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

Amounts to be excluded are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

- Once a family member is determined to be eligible for the EID, the 24-calendar month period starts;
- If the family member discontinues the employment that initially qualified the family for the EID, the 24-calendar month period continues;
- During the 24-calendar month period, EID benefits are recalculated based on changes to family member income and employment;
- During the first 12-calendar month period, HACM will exclude all increased income resulting from the qualifying employment of the family member. After the first 12-calendar month period, HACM will exclude from annual income of the family at least 50 percent of any increase in income of such family member as a result of employment over the family member's income before the qualifying event (i.e., the family member's baseline income);
- The EID benefit is limited to a lifetime 24-month period for the qualifying family member;

At the end of the 24 months, the EID ends regardless of how many months were “used”.

### **11.3 DEDUCTIONS FROM ANNUAL INCOME**

The following deductions will be made from annual income:

- A. \$480 for each dependent;
- B. \$400 for any elderly family or disabled family;
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family:
  - 1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
  - 2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
  - 3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.
- E. Child care expenses.

## **12.0 VERIFICATION**

The Merced Housing Authority will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations; full time student status of family members 18 years of age and older; Social Security numbers; and citizenship/eligible non-citizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

### **12.1 ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or for citizenship documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

HACM Staff will verify applicant and participant information using the six levels of verification including: Upfront (UIV) Verification/Enterprise Income Verification (EIV) HUD System; UIV (non HUD System); Tenant provided third-party documents; third-party written; third-party oral; and, as a final resort, tenant self-declaration/certification.

HACM reserves the right to use other reasonable methods of verification in addition to those methods set forth in this chapter. HACM reserves the right to determine whether or not certain verification submitted is sufficient and whether further verification will be required.

#### **Methods of Verification and Time Allowed**

The HACM will verify information through the six methods of verification acceptable to HUD in the following order:

1. UIV/EIV HUD System
2. UIV (non-HUD System)
3. Tenant provided third-party documents

The HACM will allow 5 business days to obtain other types of verifications before going to the next method and 10 business days for return of third-party verifications. The HACM will document the file as to why UIV/EIV and/or Tenant provided third party documents were not used.

All participant-provided documents must be dated within 60 calendar days of the date they are provided to the HACM.

For applicants, verifications may not be more than 60 days old at the time of unit offer. Third-party verifications must be no more than 120 days at time of processing.

The HACM will ensure that there is a valid HUD Form 9886 for each household member who are 18 years of age or older in the applicant/participants file. The household will also sign authorizations for each of the information sources to release specified information.

Note: In determining annual income, the HACM will use actual past income received within the last 12 months.

HACM will use the most recent 12 months of income information available in EIV to use actual past income. Because this EIV report will give actual earnings data verified by a third-party, the program participant is no longer required to provide third-party documentation (e.g. pay stubs, payroll summary report, unemployment benefit notice).

HACM will continue to verify income from sources not available in EIV and will use the same time period for both wage and non-wage income.

(As per HUD PIH Notice 2013-03)

**Upfront Verification (UIV)/Enterprise Income Verification (EIV)**

Up-Front income verification (UIV/EIV) refers to the HACM'S use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. Currently, the HACM uses HUD's Enterprise Income Verification (EIV) system. HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires that the HACM use the EIV system.

The purpose of the EIV/UIV data is to VALIDATE tenant-reported income and supplement tenant-provided documents.

Use of the EIV/UIV system simplifies the verification process because:

- Tenant reports income
- Tenant provides the HACM with current documentation
- The HACM consults the UIV/EIV system and prints income details report
- If additional information is not needed, the HACM uses the current tenant-provided documents to calculate anticipated annual income. (If additional income is needed, the HACM will request written third-party verification).

There may be legitimate differences between the information provided by the family and EIV/UIV generated information. If the family disputes information provided by the UIV/EIV system, the HACM staff will refer to the procedural guidelines on how to resolve this issue. No adverse action can be taken against a family until the HACM has

independently verified the UIV/EIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process.

Although UIV/EIV replaces third party verification, third party verification may continue to be used to complement UIV/EIV such as when there is a discrepancy between documents provided by the participant or when the tenant disputes the information received via UIV/EIV matching.

**Tenant Provided Documents**

In the event that UIV/EIV is unavailable, the HACM will note the file accordingly and utilize documents provided by the family as the primary source if the documents provided are complete and authentic information.

The HACM will accept verifications in the form of computerized printouts by the family from the following:

- \* Social Security Administration
- \* Veteran's Administration
- \* Welfare Assistance
- \* Unemployment Compensation Board
- \* City or County Courts
- \* Banking institutions
- \* Medical institutions
- \* Educational institutions
- \* District Attorney's Office
- \* Printed wage stubs
- \* Computer print-outs from the employer
- \* Signed letters (provided that the information is confirmed by phone or notarized statement)
- \* Other documents noted in this Chapter as acceptable verification

**Written Third-Party Verification**

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail or by fax machine. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are considered third party written verifications.

Third party verification forms will not be hand carried by the family under any circumstances unless the family returns verification in the form of computerized printouts which clearly indicate the source of the information.

**Oral Third-Party Verification**

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete the HACM-created form designed for this purpose, noting with whom they spoke, the date of the conversation, and the facts provided. When third-party oral verification is provided by telephone the HACM must originate the call.

The HACM **will** accept Faxed documents.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the HACM will where appropriate the rent will be recalculated and a rent change letter will be sent to reflect the corrected tenant portion.

**Self-Certification/Self-Declaration**

When verification of reported income or expenses cannot be made by third-party verification or review of documents, families will be required to submit a self- certification.

Self-certification means a statement under penalty of perjury

**B. RELEASE OF INFORMATION [24 CFR 5.230]**

All adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by the HACM or HUD.

**C. COMPUTER MATCHING**

The HACM has implemented computer matching through the Human Services Department of Merced County to verify TANF (Temporary Assistance to Needy Families). For each social security number submitted to the Welfare Department the HACM has a corresponding Federal Privacy Act Statement signed by the family member in each family's file. A signed Memorandum of Understanding has been executed between the HACM and the Human Services Department.

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

## Attachment D

The HACM will utilize the HUD established computer-based Employment Income Verification (EIV) system for obtaining Social Security benefits, Supplemental Security Income, benefit history and benefit income discrepancy reports from the Social Security Administration, employment and unemployment benefits.

HUD can access income information and compare it to information submitted by PHAs on the 50058 form. HUD can disclose Social Security information to PHAs, but is precluded by law from disclosing Federal tax return data to PHAs. If HUD receives information from Federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The family is required to disclose this information to the HACM (24 CFR 5.240). HUD's letter to the family will also notify the family that HUD has notified the HACM in writing that the family has been advised to contact the HACM. HUD will send the HACM a list of families who have received "income discrepancy" letters.

When the HACM receives notification from HUD that a family has been sent an "income discrepancy" letter, the HACM will:

Wait 40 days after the date of notification before contacting tenant.

After 40 days following the date of notification, the HACM will contact the tenant by mail and telephone asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income.

The HACM will fully document the contact in the tenant's file, including a copy of the letter to the family and written documentation of the phone call.

When the family provides the required information, the HACM will verify the accuracy of the income information received from the family, review the HACM's interim recertification policy, will identify unreported income, will charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, as appropriate based on the information.

### **If tenant fails to respond to HACM:**

The HACM will ask HUD to send a second letter.

After an additional 40 days, the HACM will ask HUD to send a third letter.

After an additional 40 days the HACM will send a letter to the head of household, warning of the consequences if the family fails to contact the HACM within two weeks.

### **If tenant claims a letter from HUD was not received:**

The HACM will ask HUD to send a second letter with a verified address for the tenant.

After 40 days, the HACM will contact the tenant family.

If the tenant family still claims they have not received a letter, the HACM will ask HUD to send a third letter.

After an additional 40 days, the HACM will set up a meeting with the family to complete IRS forms 4506 and 8821.

If the tenant family fails to meet with the HACM or will not sign the IRS forms, the HACM will send a warning letter to the head of household, notifying the family that termination proceedings will begin within one week if the tenant fails to meet with the HACM and/or sign forms.

**If tenant does receive a discrepancy letter from HUD:**

The HACM will set up a meeting with the family.

If the family fails to attend the meeting, the HACM will reschedule the meeting.

If the family fails to attend the second meeting, the HACM will send a termination warning.

The family must bring the original HUD discrepancy letter to the HACM.

**If tenant disagrees with the Federal tax data contained in the HUD discrepancy letter:**

The HACM will ask the tenant to provide documented proof that the tax data is incorrect.

If the tenant does not provide documented proof, the HACM will obtain proof to verify the Federal tax data using third party verification.

**12.2 ITEMS TO BE VERIFIED [24 CFR 982.516]**

Items to be verified include but are not limited to:

All income not specifically excluded by the regulations.

Zero-income status of household.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in preceding two years.

Child care expense where it allows an adult family member to be employed or to further his/her education.



## Attachment D

Total medical expenses of all family members in households whose head or spouse is elderly or disabled.

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

U.S. citizenship/eligible immigrant status.

Social Security Numbers for all family members 6 years of age or older.

Preference status, based upon local preferences

Familial/Marital status when needed for head or spouse definition.

Disability for determination of preferences, allowances or deductions.  
Verification of Reduction in Benefits for Noncompliance:

The HACM will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

### **12.3 VERIFICATION OF INCOME** **Employment Income**

HACM will access HUD UIV/EIV systems if available. Otherwise, verification forms requesting the employer to provide the following information will be sent to the employer:

Dates of employment

Amount and frequency of pay (If paid twice a month for example, on the 15<sup>th</sup> and the 30<sup>th</sup>, frequency of pay is 24 times per year. If paid every two weeks, frequency of pay is 26 times per year).

Date of the last pay increase

Likelihood of change of employment status and effective date of any known salary increase during the next 12 months

Year-to-date earnings

Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. UIV/EIV system
2. Documents provided by applicants and program participants:
  - Check stubs or earning statements which indicate the employer's gross pay, frequency of pay or year to date earnings.
  - W-2 forms plus income tax return forms.
3. Employment verification form completed by employer
4. Telephone contact with employer documented on HACM's oral verification form

The HACM may request the family's most recently submitted IRS federal income tax form. Applicants and program participants who do not have a copy of their most recently submitted IRS federal income tax form will be requested to obtain their income tax return directly from IRS. Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

Applicants and program participants may be requested to sign an authorization for release of information from the IRS for further verification of income.

#### **Social Security, Supplementary Security Income (SSI)**

Acceptable method of verification may include:

1. UIV/EIV computer matching conducted by HUD in Washington, D.C. and the Social Security Administration Office.
2. Benefit verification form completed by the local agency.
3. Most recent award or benefit notification letters
4. Bank statements showing deposit from SSA
5. Copies of SSA checks

#### **Pensions, Disability Income**

Acceptable methods of verification may include, in this order:

1. UIV/EIV computer matching
2. Award or benefit notification letters prepared by the providing agency.
3. Computer report electronically obtained or in hard copy, from agency providing the benefits.
4. Benefit verification form completed by agency providing the benefits.

#### **Unemployment Compensation**

Acceptable methods of verification may include, in this order:

1. UIV/EIV computer matching or computer matching agreement with a State Wage Information Agency
2. Payment stubs.
3. Computer report electronically obtained or in hard copy, from unemployment

- office (EDD) stating payment dates and amounts.
4. Verification form completed by the unemployment compensation agency.

**Welfare (TANF) Payments or General Assistance**

Acceptable methods of verification may include:

1. Use of computer matching when available.
2. Use of Human Services Agency electronic phone verification system
3. Written statement from payment provider indicating the amount of grant/payment, start date of payments.
4. Computer generated Notice of Action or verification of amount of grant/benefits verified electronically through Human Services Agency.

Income of individuals who are enrolled at an institution of higher education and are applying for (or who are participants of the Low Income Housing program in their individual capacity).

Income must be verified for the student according to all other regular verification requirements stated in this ACOP, with the following exception:

As it relates to the verification of a parent(s) income, the HACM may accept from a parent(s) a declaration and certification of income; which includes a penalty of perjury.

**Alimony or Child Support Payments**

Acceptable methods of verification may include, in this order:

1. Verification from Human Resources of child support disregard payments or verification from the Merced County Family Support Division.
2. Copy of latest check and/or payment stubs from Court Trustee or Individual providing payment. HACM must record the date, amount, and number of the check.
3. Copy of a separation or settlement agreement or a divorce/dissolution decree stating amount and type of support and payment schedules.
4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

5. A written statement provided by person paying the support indicating all of the above.

### **Net Income from a Business**

In order to verify the net income from a business, the HACM 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 may include:

1. IRS Form 1040, including:
  - Schedule C (Small Business)
  - Schedule E (Rental Property Income)
  - Schedule F (Farm Income)

Note: 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 will need to be provided.

2. Audited or unaudited financial statement(s) (profit and loss) of the business.
3. Documents such as manifests, 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.
4. Written statement signed by applicant/participant listing amount earned and expenses incurred, along with dates the business was operating.
5. If the family is performing a cash based business and have not been in business long enough to have filed a tax return for the business, they will be required to complete a form detailing information regarding name of customers and amount paid and signature of customer. When the families' self-employment income is a new business, has sporadic income, or is not expected to earn the same amount as reported on the tax return, the HACM may conduct interim reevaluations every 120 days and provide the log information about customers, income and expenses.

### **Child Care Business**

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a “cash and carry” operation (which may or may not be licensed), the HACM will require that the applicant/participant complete a form for each customer which 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, signature of person.

If the family has filed a tax return, third-party verification will be sent to the parent whose child was cared for

**Recurring Gifts**

When a family receives a recurring gift, the HACM will verify the income by mailing verification directly to the providing source. As a last resort, the HACM will accept the families self-declaration/certification. In both verification requests, the HACM must have the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

**Zero Income Status**

The HACM will employ the use of the UIV/EIV process (e.g., TANF, EDD work history) and other written third-party verification when the family claims to have no other income.

The HACM may request information from IRS.

The HACM may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

Families with zero income will be required to report to the HACM the first of each month by completing a Monthly Expense Form.

The HACM may run a credit report if information is received that indicates the family has an unreported income source.

**Full-Time Student Status**

Only the first \$480 of the earned income of full time students, other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students are not counted towards family income. A full-time student is determined by the educational institution.

Verification of full-time student status includes:

1. Written verification from the registrar's office or other school official indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.
2. Oral third-party must be documented in the applicant/participant file.
3. If verification cannot be received directly from the educational institution to the HACM, the file must be documented with the reason.

#### **12.4 INCOME FROM ASSETS [24 CFR 982.516]**

Acceptable methods of verification include, in this order:

##### **Savings Account Interest Income and Dividends**

Will be verified by:

Account statements, passbooks, certificates of deposit, or HACM verification forms completed by the financial institution.

Broker's statement showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

IRS Form 1099 from the financial institution, provided that the HACM must adjust the information to project earnings expected for the next 12 months.

The HACM will require the necessary information to determine the current cash value of each asset (the net amount the family would receive if the asset were converted to cash).

##### **Interest Income from Mortgages or Similar Arrangements**

A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for 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).

Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

##### **Net Rental Income from Property Owned by Family**

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: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statement or amortization schedules showing monthly interest expense.

Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

**Assets Dispose of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification**

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

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

**12.5 VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME [24 CFR 982.516]**

The HACM will use documents in lieu of requesting third-party verification when an expense is less than \$500 annually and the family has original documents that support the detailed amount

**Child Care Expenses**

Written verification from the person who receives payment is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.

Verifications must specify the child care provider's name, address, telephone number, Social Security number, then 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.

**Medical Expenses**

Families who claim medical expenses or expenses to assist a person/s with a disability will be required to submit a certification that expenses they are claiming are not reimbursed or paid by an outside individual, insurance company, governmental agency or other source.. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which expenses, if any will be reimbursed by insurance or a government agency.

2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration's written of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
4. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
5. 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.
6. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. HACM may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.

The HACM will use mileage at the IRS rate for cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment that is expected in the current year.

**For Attendant Care:**

1. 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.
2. 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.

**Assistance to Persons with Disabilities [24 CFR 5.611(c)]**

In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently 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 and written certification from doctor or rehabilitation agency, that the care is necessary to employment of household member. Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Written certification from source of cost and purpose of apparatus. Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any household member. In case where the disabled person is employed, statement from employer that apparatus is necessary for employment.

Copies of receipts or evidence of periodic payments for apparatus.

### **Medicare Prescription Drug Benefits**

The HACM must treat any medical prescription drug discount cards and transitional assistance received by a family as a standard medical deduction so that the family continues to receive a deduction for the full cost of its prescription drugs.

- This means that neither the drug discount nor the transitional assistance should be considered in reimbursement for the purpose of calculating the family's medical expense deduction.
- This also means that the HACM must verify the FULL cost of the family's prescription drugs, not the out-of-pocket cost to the family.

## **12.6 VERIFYING NON-FINANCIAL FACTORS [24 CFR 982.153(b) (15)]**

### **Verification of Legal Identity**

In order to prevent program abuse, the HACM will require applicants to furnish verification of legal identity for all family members.

One or more of the documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required. (HACM has the discretion to determine what is needed for verification.)

- \* Current, valid Driver's license or Department of Motor Vehicles Identification Card
- \* Certificate of Birth, Hospital Certificate, Naturalization papers, Adoption papers
- \* Legal Alien Card

- \* Church issued baptismal certificate
- \* U.S. military discharge (DD 214)
- \* U.S. passport
- \* Voter's registration
- \* Company/agency Identification Card
- \* Court Records (marriage, divorce, bankruptcy etc.)

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- \* Certificate of Birth, Hospital Certificate, Naturalization Papers
- \* Legal Alien Card
- \* Adoption papers
- \* Custody agreement
- \* Health and Human Services ID
- \* School records
- \* Church Baptismal records

### **Verification of Marital Status**

Verification of marital status must be verified to determine marital status and relationships. The following will be considered acceptable verification:

- \* A certified copy of the marriage certificate or a divorce/dissolution decree, signed by a Court Officer.
- \* Verification of a separation may be a copy of court-ordered maintenance or other official records.

### **Familial Relationships**

The following verifications will be required if applicable:

#### **Verification of relationship:**

- Official identification showing names
- Birth Certificates
- Baptismal certificates

#### **Verification of guardianship is:**

- Court-ordered assignment
- Verification from social services agency
- School records

### **Verification of Permanent Absence of Adult Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, the HACM will consider any of the following as verification:

1. Husband or wife institutes divorce or legal separation.
2. Order of protection/restraining order obtained by one family member against another.
3. Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
4. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
5. If no other proof can be provided, the HACM will accept a self-certification from the family.
6. If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
7. If no other proof can be provided, the HACM will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

### **Verification of Change in Family Composition**

The HACM may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, law enforcement agencies, and other sources.

When the family notifies the HACM of a family member leaving the assisted household, they must furnish the following information:

- The date the family member moved out and the new address of the family member if available.
- The HACM may require the family to verify that the person is residing at the new address.

### **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 appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format. The HACM has a verification form specifically for this purpose and this form must be used for the verification of disability.

**Verification for Approval of Live In Aide Attendant**

A Live in Aide will not be approved to reside in the unit if the HUD definition of a live in aide is not met. Also, the HACM will also not approve the addition of the live in aide in the unit in any of the following cases:

1. The live in aide has been on a federal housing program and evicted from public housing or terminated from Housing Choice Voucher Program due to program violation.
2. The live in aide owes any amounts of money to any federal housing program.
3. The live in aide has drug related criminal activity, violent criminal activity, (includes registered sex offenders) as pertains to this administrative plan, or HUD regulations; or the live in aide whose alcohol abuse, or criminal activity hinders the health, safety or peaceful enjoyment of other persons residing in the immediate vicinity of the premises.
4. The live in aide has employment outside of the home.
5. Another person is residing in the unit who is capable of providing the care for participant.
6. Participant requiring live in aide must supply the HACM with verification from a reliable, knowledgeable professional, such as a medical doctor, social worker or case worker. The verification must demonstrate that a live-in aide is necessary and the family would not be equally well served by a home health care service or a care provider who does not live in the unit. This verification will be required to be given to the HACM not only at the initial time the live-in aide begins to reside in the subsidized unit but also at every annual re-certification thereafter.
7. No other additional family members of live in care attendant may reside in unit with participant.

In instances where the family receives payments from Human Services through the In Home Supportive Services (IHSS) program, the live-in aide reported to the HACM must be the same person on record with IHSS.

The HACM may deem it necessary to re-verify the necessity of a live-in aide at any time. The family will be required to submit verification at every annual recertification.

The live-in aide's qualification for housing occupancy terminates when the individual needing the supportive services leaves the unit or fails to qualify for continued occupancy. The live-in aide does not qualify for continued occupancy or where the need for live-in aide's assistance ceases as a remaining member of the tenant family, even if they are related by blood, marriage or operation of law.

**12.7 Verification of Citizenship/Eligible Immigrant Status [24 CFR 5.508, 5.510, 5.512, 5.514]**

In order to receive assistance, a family member must be a U.S. citizen, a citizen of the Freely Associated States of the Marshall Islands, the Federated States of Micronesia, and Palau, or an eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined. [24 CFR 5.508]

**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.

**Non-eligible members:** Applicant families that include only non-eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

**Non-citizen students:** As defined by HUD in the non-citizen regulations, non-citizen students are not eligible for assistance. [24 CFR 5.522]

**Time Frame for Determination of Citizenship Status: {24 CFR 5.508 (g)}**

For new occupants joining the resident family the HACM 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 HACM 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. The HACM will verify the status of applicants at the time other eligibility factors are determined.

The HACM will establish and verify eligibility status of applicants at the time other eligibility factors are determined.

**12.8 SOCIAL SECURITY NUMBERS [24 CFR 5.216 AND 5.218, NOTICE PIH 2012-10]**

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

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

**TIMEFRAME FOR PROVIDING SSN**

**Applicants currently on or applying to waiting list:**

Applicants do not need to disclose or provide verification of a SSN for all non-exempt household members at the time of application and for placement on the waiting list. However, applicants must disclose and provide verification of a SSN for all non-exempt household members at the time the applicant family is selected for the full application/intake process.

**Housing Applicants from the waiting list:**

If all non-exempt household members have not disclosed and/or provided verification of their SSNs at the time a unit becomes available, the next eligible applicant must be offered the available unit.

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The applicant who has not disclosed and/or provided verification of SSNs for all non-exempt household members has **60 days** from the date they are first offered an available unit to disclose and/or verify the SSNs. During this **60 day** period, the applicant may, at its discretion, retain its place on the waiting list. After the **60 days**, if the applicant is unable to disclose and/or verify the SSNs of all non-exempt household members, the applicant should be determined ineligible and removed from the waiting list.

An individual who has never been issued a SSN card or who has lost their SSN card will be instructed to complete Form *SS-5 Application for Social Security Card* to request an original or replacement SSN Card, or change information on his/her SSA record.

### Resident

All residents, except those individual age 62 or older as of January 31, 2010, and those individuals who do not contend eligible immigration status, must disclose and provide verification of their SSN at the time of their next interim or annual recertification if:

- They have not previously disclosed a SSN;
- Previously disclosed a SSN that HUD or the SSA determined was invalid; or
- Been issued a new SSN.

If a resident fails to provide a valid and verified SSN, the household is subject to terminate of tenancy in accordance with 24 CFR 5.218.

### SSN Not Previously Disclosed

The head of household must bring SSN verification, through one or more of the Documents listed under "Acceptable SSN Documentation", to the recertification meeting for any household member who has not disclosed and provided verification of their SSN.

### Invalid SSN Disclosed

The Head of household must be notified when EIV pre-screening or the SSA validation determines that a household member has provided an invalid SSN. In such cases the HACM will explain the reason for the rejection and request that acceptable documentation be provided within ten business days of the request date.

### Assignment of a New SSN

If a resident or any member of a resident's household is or has been assigned a new SSN, the resident must provide the SSN and documentation to verify the SSN to the HACM at:

- The time of receipt of the new SSN; or
- The next interim or regularly scheduled recertification; or
- Such earlier time as specified by the HACM

### Adding a Household Member

**(a) Age Six or Older**

When a resident request to add a household member who is age six or older, the documentation listed under “Acceptable SSN Documentation” must be provided to the HACM at the time of the request or at the time of the recertification that includes the new household member is processed. The HACM must not add the new household member until such time as the documentation is provided.

**(b) Child Under the Age of Six**

**With a SSN** – When adding a household member who is a child under the age of six with a SSN, the child’s SSN must be disclosed and verification provided at the time of processing the recertification of family composition that includes the new household member. If the family is unable to provide the required documentation of the SSN, the PHA shall not add the new household member to the family composition until the family provides such documentation. The PHA is not authorized to generate an ALT ID for the affected household member.

**Without a SSN** – if the child does not have a SSN, the HACM will give the household 90 days in which to provide documentation of a SSN for the child. An additional 90-day period will be granted by the HACM if the failure to provide documentation of a SSN is due to circumstances that are outside the control of the resident.

Examples include but are not limited to:

- Delayed processing of the SSN application by the SSA
- Natural disaster or fire
- Death in family, etc.

During this time period, the child is to be included as part of the household and will receive all of the benefits of the program in which the resident is involved, including the dependent deduction. A PIC-Alternate ID will be assigned to the child until the documentation of the SSN is required to be provided. At the time of the disclosure of the SSN, an interim recertification must be processed changing the child’s Alternate ID to the child’s verified SSN. If the SSN is not provided, the household is subject to penalties described in Penalties for a Resident’s non-disclosure of SSN. HACM must terminate the entire family’s tenancy or assistance, or both.

**12.9 ACCEPTABLE SSN DOCUMENTATION**

Most applicants and participants should be able to verify all SSNs with a Social Security Card. However, if the applicant/participant cannot produce the Social Security card for any or all non-exempt household members, other documents showing the household member’s SSN may be used for verification. The applicant/participant may be required to provide one or more of the following alternative documents to verify his or her SSN.

- An original SSN card issued by the Social Security Administration (SSA) (Refer to PIH Notice 2010-3, Section 6 for a description of the three types of SS cards that SSA issues.)
- An original SSA-issued document with the individual’s name and SSN



- An original document issued by a federal, state, or local government agency with the individual's name and SSN
- SSA benefit award letter
- Retirement benefit letter
- Life insurance policy
- Court records

**Verification**

The HACM will verify and document each disclosed SSN by:

- (a) Obtaining the documentation listed above for each member of the applicant/participant's household.
- (b) Make a copy of the original documentation submitted, returning the original to the individual and retaining the copy in the file folder;
- (c) Recording the SSN on line 3n of the form HUD-50058 and transmitting the data to HUD in a timely manner. The HACM will transmit the form HUD-50058 data within 30 calendar days of the effective date of action, to HUD to initiate its computer matching efforts. *Note: not applicable to applicants.*
- (d) HUD, via its computer matching program with the SSA, will validate the SSN (along with the individual's name and date of birth) against the SSA's database.
- (e) EIV will report the status of the identity verification process as **Verified, Failed, Not Verified, or Deceased** on the household **Summary Report**.
  - (i) **Verified.** If the information matches the SSA database, the individual's identity verification status will be **Verified**. No action is required by the HACM.
  - (ii) **Failed.** If the information does not match the SSA database, the identity verification status will be **Failed**. Informs the HACM of any resident whose identity cannot be confirmed by the SSA due to incorrect personal identifiers (date of birth, surname, and/or SSN) recorded in section 3 of the form HUD-50058. Requires the HACM to obtain appropriate documentation from the resident, update section 3 of the form HUD-50058, accordingly, and re-transmit a revised form HUD-50058 to PIC.
  - (iii) **Not Verified.** If an individual's identity verification status is **Not Verified**, this means that HUD has not yet sent the resident's personal identifier to SSA for validation. No action is required by the HACM.
  - (iv) **Pending.** If an individual's identity verification status is Pending, this means that HUD has not yet sent the tenant's personal identifiers to SSA for validation. No action is required by the HACM.
  - (v) **Excluded.** Effective April 30, 2012 if an individual's identity verification status is Excluded, this means that HUD will not send the tenant personal identifiers to

SSA for validation because a valid SSN is not reported on line 3n of the form HUD-50058 or the individual has failed EIV pre-screening.

- (vi) **Deceased.** If an individual's identity verification status is **Deceased**, this means the SSA's records indicate the person is deceased. The HACM is to confirm the death with family's head of household or listed emergency contact person. If the individual is deceased and the only household member (single member of the household), the HACM will complete an End of Participation (EOP) action of form HUD-50058, and discontinue assistance. If there are remaining household members, the HACM will complete an Interim Recertification, updating the family composition accordingly.

### **Rejection of Documentation**

The HACM will reject a document that:

- (a) Is not an original document; or
- (b) Is the original document but it has been altered, mutilated, or is not legible; or
- (c) Appears to be a forged document (e.g., does not appear to be authentic).

The applicant/participant will be notified of the reason(s) why the document(s) is not acceptable and request the applicant/participant obtain acceptable documentation of the SSN and submit it to the HACM within ten business days of the request date.

### **PENALTIES FOR A RESIDENT'S NON-DISCLOSURE OF SSN**

**Termination of Tenancy** – The HACM must terminate the tenancy of a resident and the resident's household if the resident does not meet the SSN disclosure, documentation and verification requirements in the specified timeframe as the household is in non-compliance with its lease.

- (a) This termination of tenancy includes those households who have not disclosed and verified SSN for any child under the age of 6 who did not have a SSN when added to the household with the understanding that this SSN would be provided within 90 days after admission, or within the 90-day extension period, if applicable.
- (b) There is no proration of assistance for those household members who are required to obtain a SSN but who fail to disclose and verify their SSN.
- (c) Termination of tenancy does not apply to those households with individuals who do not contend eligible immigration status or who are age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010, based on the effective date of the form HUD-50058, unless there are other members of the household who have not disclosed or provided verification of their SSNs.

**Deferring Termination of Tenancy** – HACM may defer termination of tenancy and provide the resident with an additional 90 days past their next regularly scheduled recertification of income and family composition to become compliant with the SSN disclosure and verification requirements.

- (a) The deferral is at HACM's discretion and must only be provided if failure to meet the SSN requirements was due to circumstances outside the control of the resident and there is likelihood that the resident will be able to disclose and provide verification of the needed SSN(s) by the deadline date.
- (b) After this 90-day deferral, if the resident has not disclosed and provided verification of the needed SSN's the HACM must pursue termination of tenancy, terminate the entire family tenancy or assistance, or both.

### **12.10 MEDICAL NEED FOR A LARGER UNIT**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional. If the family member gets written certification that the need for the larger unit is based on a permanent disability, this certification will only need to be obtained once. If the certification does not indicate how long the larger unit is necessary, the medical need will be verified annually at the recertification.

### **12.12 VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 982.207]**

**Involuntarily Displaced:** written verification must be made by local, state or federal agency verifying declared disaster.

**Homeless Preference:** written verification must be provided by partnering homeless service organization who are a part of the Merced County Continuum of Care and have signed agreement with the HACM.

**Veteran Preference:** The HACM will require US Government documents, which indicate that the applicant qualifies under the following definition: a veteran is any person who served in the United States military or served 6 years as a reservist or national guardsman (not including the two years of standby).

If the spouse is applying for a veteran status, verification will be required of marital status to the veteran. If the veteran is deceased, the spouse cannot have remarried.

**Residency Preference:** verification that person currently lives, works or has been hired to work within the HACM's area of jurisdiction.

**Elderly Preference:** verification of birth or Social Security or Supplemental Security benefits.

**Disabled Preference:** verification of Social Security disability benefits or completion of HACM's disability verification form.

**12.13 TIMING OF VERIFICATION**

Verification information must be dated within ninety (90) days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Authority will only verify and update those elements reported to have changed.

**12.14 FREQUENCY OF OBTAINING VERIFICATION**

For each family member, citizenship/eligible non-citizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining the family, their citizenship/eligible non-citizen status will be verified.

For each family member age 6 and above, verification of Social Security number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security number at admission receives a Social Security number, that number will be verified at the next regular reexamination. Likewise, when a child turns six, their verification will be obtained at the next regular reexamination.

## **13.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT**

### **13.1 FAMILY CHOICE**

At admission and each year in preparation for their annual reexamination, each family is given the choice of having their rent determined under the formula method or having their rent set at the flat rent amount.

- A. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they would otherwise undergo.
- B. Families who opt for the flat rent may request to have a reexamination and return to the formula based method at any time for any of the following reasons:
  - 1. The family's income has decreased.
  - 2. The family's circumstances have changed increasing their expenses for childcare, medical care, etc.
  - 3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.

### **13.2 THE FORMULA METHOD**

The total tenant payment is equal to the highest of:

- A. 10% of monthly income;
- B. 30% of adjusted monthly income; or

The family will pay the greater of the total tenant payment or the minimum rent of \$50.00.

In the case of a family who has qualified for the income exclusion at Section 11.2(H)(11), upon the expiration of the 12-month period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the resulting rent increase will be capped at 50 percent of the rent increase the family would have otherwise received.

### **13.3 MINIMUM RENT**

The Merced Housing Authority has set the minimum rent at \$50.00. However if the family requests a hardship exemption, the Merced Housing Authority will immediately suspend the minimum rent for the family until the Housing Authority can determine

whether the hardship exists and whether the hardship is of a temporary or long-term nature.

- A. A hardship exists in the following circumstances:
  - 1. When the family has lost eligibility for or is waiting an eligibility determination for a Federal, State, or local assistance program;
  - 2. When the family would be evicted as a result of the imposition of the minimum rent requirement;
  - 3. When the income of the family has decreased because of changed circumstances, including loss of employment;
  - 4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
  - 5. When a death has occurred in the family.
- B. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.
- C. Temporary hardship. If the Housing Authority reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a repayment agreement in accordance with the Section 19 of this policy for any rent not paid during the period of suspension. During the suspension period the Housing Authority will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.
- D. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
- E. Appeals. The family may use the grievance procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

### **13.4 THE FLAT RENT**

The Merced Housing Authority has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The Merced Housing Authority determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated periodically and adjustments applied. Affected families will be given a 30-day notice of any flat rate rent change affecting the amount of rent the family pays. At the sole discretion of the Housing Authority, adjustments may be applied on the reexamination anniversary date for each affected family (for more information on flat rents, see section 15-3).

### **13.5 PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The HACM must prorate the assistance provided to a mixed family.

The HACM must complete the following steps:

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

When the mixed family's TTP is greater than the maximum rent, the HACM must use the TTP as the mixed family TTP.

### **13.6 UTILITY ALLOWANCE**

The utility allowance will be subtracted from the family's formula to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the Merced Housing Authority. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belongs to the tenant.

Revisions based on changes in consumption or other reasons shall become effective at each family's next annual reexamination.

### **13.7 PAYING RENT**

Rent and other charges are due and payable on the first day of the month. All rents should be paid at 405 "U" Street, Merced, Central Office or mailed. Reasonable accommodations for this requirement will be made for persons with disabilities. As a safety measure, no cash shall be accepted as a rent payment

If the rent is not paid by the seventh of the month, a Notice to Vacate will be issued to the tenant. In addition, a \$10 late charge will be assessed to the tenant. If rent is paid by a personal check and the check is returned for insufficient funds, this shall be considered a non-payment of rent and will incur the late charge plus an additional charge of \$10 for processing costs.



## 23.0 Violence Against Women Act (VAWA)

The Violence Against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the Public Housing program.

### **DEFINITIONS [24 CFR 5.2003]**

As used in VAWA:

- 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 of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *sexual assault* means any involuntary sexual act in which a person is threatened, coerced, or forced to engage against their will, or any sexual touching of a person who has not consented. This includes rape, inappropriate touching, forced kissing, child sexual abuse, or the torture of the victim in a sexual manner.
- The term *stalking* means:
  - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
  - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and

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- In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- The term *affiliated individual* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
  - Any other individual, tenant or lawful occupant living in the household of that individual.

### **DOCUMENTATION [24 CFR 5.2007]**

#### ***Victim Documentation***

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking must provide documentation:

- (1) Demonstrating the connection between the abuse and the unfavorable history;
- (2) Naming the perpetrator of the abuse, only if the name is known and safe to provide. The documentation may consist of any of the following:
  - (a) A statement signed by the victim certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, sexual assault, or stalking
  - (b) A police or court record documenting the domestic violence, dating violence, sexual assault, or stalking
  - (c) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable 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.

### ***Perpetrator Documentation***

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) 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
- (b) 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.

### **Time Frame for Submitting Documentation**

The applicant must submit the required documentation with her or his request for an informal hearing or must request an extension in writing at that time. If the applicant so requests, the MHA will grant an extension of 10 business days and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If, after reviewing the documentation provided by the applicant, the MHA determines that the family is eligible for assistance, no informal hearing will be scheduled, and the MHA will proceed with admission of the applicant family.

### **PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING [24 CFR PART5, SUBPART L]**

Merced Housing Authority is required to screen for eviction and criminal activity as part of the rental assistance program. HUD requires MHA to set screening standards to ensure that those persons who are prohibited from being admitted to public housing will not receive assistance. The MHA's authority in this area is limited by the Violence Against Women Reauthorization Act of 2013 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005].

The Violence against Women Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:

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

### **Notification**

MHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior criminal record) that would warrant denial under the MHA's policies. Therefore, if the MHA makes a determination to deny admission to an applicant family, MHA will include in its notice of denial:

- (a) A statement of the protection against denial provided by VAWA
- (b) A description of MHA confidentiality requirements
- (c) A request that an applicant wishing to claim this protection submit to the MHA documentation meeting the specifications below with her or his request for an informal hearing.
- (d) A copy of HUD 50066 form

### **PROHIBITION AGAINST TERMINATING TENANCY OF VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [24 CFR 5.2005]**

The Violence against Women Reauthorization Act of 2013 (VAWA), provides that "criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a resident's household or any guest or other person under the resident's control, shall not be cause for termination of the tenancy or occupancy rights, if the resident or affiliated individual of the resident's family is the victim or threatened victim of that abuse."

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 of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

When a resident family is facing lease termination because of the actions of a resident, household member, guest, or other person under the resident's control and a resident or immediate family member of the resident's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, the MHA will request in writing that the individual submit documentation affirming that claim. The written request will include explicit instructions on where, when, and to whom the documentation must be submitted. It will also state the consequences for failure to submit the documentation by the deadline.

The documentation will consist of a completed and signed form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking. In lieu of the certification form, the MHA will accept either of the following forms of documentation:

- A police or court record documenting the actual or threatened abuse;
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable 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 individual claiming victim status must submit the requested documentation within 14 business days after receipt of the MHA's written request or must request an extension within that time frame. The MHA may, at its discretion, extend the deadline for 10 business days.
- 

If the individual provides the requested documentation within 14 business days, or any MHA-approved extension, the MHA will reconsider its termination decision in light of the documentation.

If the individual does not provide the requested documentation within 14 business days, or any MHA-approved extension, the MHA will proceed with termination of the family's lease in accordance with applicable local, state, and federal law and the policies in this ACOP.

The MHA will bifurcate a family's lease and terminate the tenancy of a family member if the PHA 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 MHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to the MHA by the victim in accordance with this section. Upon such consideration, the MHA may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the MHA 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 necessary, the MHA will also take steps to ensure that the remaining family members have a safe place to live during the termination process. For example, the MHA may offer the remaining family members another public housing unit, if available; it may help them relocate to a confidential location; or it may refer them to a victim service provider or other agency with shelter facilities.

### **Confidentiality Requirements [24 CFR 5.2007(a)(1)(5)]**

All information provided to the MHA regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure

- (a) Is requested or consented to by the individual in writing,
- (b) Is required for use in an eviction proceeding, or
- (c) Is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the MHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

### **VAWA and Other Laws [24 CFR 5.2009, 24 CFR 5.2005(d)]**

VAWA does not supersede any other federal, state, or local law that provides greater protection to victims of domestic violence, dating violence, sexual assault or stalking.

Moreover, VAWA does not limit the MHA's duty to honor court orders issued to protect a victim or to address the distribution of property when a family breaks up.

### **Limits on VAWA Protections [24 CFR 5.2005(b), 24 CFR 5.2005(e)]**

While VAWA prohibits the MHA from using domestic violence, dating violence, sexual assault or stalking as the cause for a termination or eviction action against a public housing resident who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit the MHA's otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of

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domestic violence, dating violence, sexual assault or stalking providing that the MHA does not subject the victim to a more demanding standard than other residents.

- VAWA does not limit the MHA's authority to terminate the tenancy of any public housing resident if the MHA can demonstrate an actual and imminent threat to other residents or those employed at or providing service to the property if that resident's tenancy is not terminated.

In determining whether a public housing resident who is a victim of domestic violence, dating violence, sexual assault or stalking is an actual and imminent threat to other residents or those employed at or providing service to a property, the MHA will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or resident other than the victim of domestic violence, dating violence, sexual assault or stalking
- Whether the threat is a physical danger beyond a speculative threat
- Whether the threat is likely to happen within a short period of time
- Whether the threat to other residents or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the resident wishes to contest the MHA's determination that he or she is an actual and imminent threat to other residents or employees, the resident may do so as part of the grievance hearing or in a court proceeding.

### **Victim Notification [Notice PIH 2006-42]**

VAWA requires the MHA to notify residents of their rights under VAWA and to inform them about the existence of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking.

- The MHA will include language discussing the protections provided by VAWA in the termination or eviction notice and request that a resident come to the MHA office and pick up the form HUD-50066, if the resident believes the VAWA protections apply.
- If the MHA has reason to suspect that the form HUD-50066 might place a victim of domestic violence at risk, it will attempt to deliver the notice by hand directly to the victim. The MHA will use the same caution if it decides to deliver VAWA information to a victim at any other time following an incident of domestic violence.

### **VAWA NOTIFICATION**

The MHA 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 summary of the rights and protections provided by VAWA to public housing applicants and residents who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (see sample notice in Exhibit 1)



- The definitions of *domestic violence*, *dating violence*, sexual assault and *stalking* provided in VAWA (included in Exhibit 1)
- An explanation of the documentation that the MHA may require from an individual who claims the protections provided by VAWA (included in Exhibit 1)
  - A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking
  - A statement of the MHA's obligation to keep confidential any information that it receives from a victim unless (a) the MHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibit 1)
  - The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 1)
  - Contact information for local victim advocacy groups or service providers.

### **NOTIFICATION TO APPLICANTS**

The MHA will provide all applicants with notification of their protections and rights under VAWA at the time they submit a full application for housing assistance.

The notice will explain the protections afforded under the law, inform each applicant of the MHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The MHA will also include in all notices of denial a statement explaining the protection against denial provided by VAWA.

### **NOTIFICATION TO TENANTS [24 CFR 5.2007(3)]**

The MHA will provide all tenants with notification of their protections and rights under VAWA at the time of admission and at annual reexamination.

The notice will explain the protections afforded under the law, inform the tenant of the MHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The MHA will also include in all lease termination notices a statement explaining the protection against termination or eviction provided by VAWA.

**EXHIBIT 1: SAMPLE NOTICE TO PUBLIC HOUSING APPLICANTS AND RESIDENTS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)**

*This sample notice was adapted from a notice prepared by the National Housing Law Project.*

A federal law that went into effect in 2006 protects individuals who are victims of domestic violence, dating violence, sexual assault and stalking. The name of the law is the Violence against Women Act, or “VAWA.” This notice explains your rights under VAWA.

**Protections for Victims**

If you are eligible for public housing, the housing authority cannot refuse to admit you to the public housing program solely because you are a victim of domestic violence, dating violence, sexual assault or stalking.

If you are the victim of domestic violence, dating violence, sexual assault or stalking, the housing authority cannot evict you based on acts or threats of violence committed against you. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault or stalking that are caused by a member of your household or a guest can't be the reason for evicting you if you were the victim of the abuse.

**Reasons You Can Be Evicted**

The housing authority can still evict you if the housing authority can show there is an *actual* and *imminent* (immediate) threat to other tenants or housing authority staff if you are not evicted. Also, the housing authority can evict you for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault or stalking against you. The housing authority cannot hold you to a more demanding set of rules than it applies to tenants who are not victims.

**Removing the Abuser from the Household**

The housing authority may split the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the public housing unit. If the housing authority chooses to remove the abuser, it may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, the housing authority must follow federal, state, and local eviction procedures.

**Proving that You Are a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking**

The housing authority can ask you to prove or “certify” that you are a victim of domestic violence, dating violence, sexual assault or stalking. In cases of termination or eviction, the housing authority must give you at least 14 business days (i.e. Saturdays, Sundays,

and holidays do not count) to provide this proof. The housing authority is free to extend the deadline. There are three ways you can prove that you are a victim:

- Complete the certification form given to you by the housing authority. The form will ask for your name, the name of your abuser, the abuser's relationship to you, the date, time, and location of the incident of violence, and a description of the violence.
- Provide a statement from a victim service provider, attorney, or medical professional who has helped you address incidents of domestic violence, dating violence, sexual assault or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both you and the professional must sign the statement, and both of you must state that you are signing "under penalty of perjury."
- Provide a police or court record, such as a protective order.

If you fail to provide one of these documents within the required time, the housing authority may evict you.

### **Confidentiality**

The housing authority must keep confidential any information you provide about the violence against you, unless:

- You give written permission to the housing authority to release the information.
- The housing authority needs to use the information in an eviction proceeding, such as to evict your abuser.
- A law requires the housing authority to release the information.

If release of the information would put your safety at risk, you should inform the housing authority.

### **VAWA and Other Laws**

VAWA does not limit the housing authority's duty to honor court orders about access to or control of a public housing unit. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up. 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.

### **For Additional Information**

If you have any questions regarding VAWA, please contact \_\_\_\_\_ at \_\_\_\_\_.

For help and advice on escaping an abusive relationship, call the National Domestic Violence Hotline at 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).

<b>Certifications of Compliance with PHA Plans and Related Regulations (Standard, Troubled, HCV-Only, and High Performer PHAs)</b>	<b>U.S. Department of Housing and Urban Development</b> Office of Public and Indian Housing <b>OMB No. 2577-0226</b> <b>Expires 02/29/2016</b>
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**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the \_\_\_ 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning 10/2016, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

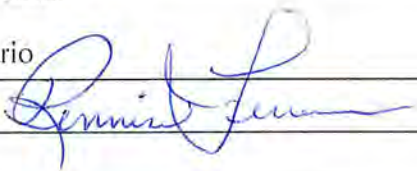
Housing Authority of the County of Merced  
PHA Name

CA023  
PHA Number/HA Code

X Annual PHA Plan for Fiscal Year 2016

         5-Year PHA Plan for Fiscal Years 20     - 20    

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official	Title
Rennise Ferrario	Executive Director
Signature 	Date <u>6/22/16</u>

**Civil Rights Certification**  
*(Qualified PHAs)*

 U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB Approval No. 2577-0226  
 Expires 02/29/2016

**Civil Rights Certification**
**Annual Certification and Board Resolution**


*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official, I approve the submission of the 5-Year PHA Plan for the PHA of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the public housing program of the agency and implementation thereof:*

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those impediments in a reasonable fashion in view of the resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.

Housing Authority of the County of Merced  
 PHA Name

CA023  
 PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Rennise Ferrario	Executive Director
Signature 	Date 6/22/16

HOUSING AUTHORITY OF THE COUNTY OF MERCED  
**Resident Advisory Board Members**  
**2016**

Aloha Berino T0140  
Pat Tusing T5473

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**The Resident Advisory Board met on May 26, 2016 and made the following recommendations for the Agency's Annual Plan:**

- Tenants recommended trimming tree branches that are touching electrical wires in backyards located near 1340/1452 7<sup>th</sup> St, Merced.
- Tenant reported that her next door neighbor has 5 to 6 cats that are damaging her property. HACM staff to provide "cat traps" to tenant.
- Tenant reported that there is mold around her tub. She believes that there is a leak in between the walls. HACM to place work order to inspect her unit.
- Tenant recommended screen doors for back doors.

HOUSING AUTHORITY OF THE COUNTY OF MERCED  
**Resident Advisory Board Members**  
**2016**

Rocelia Chavez t6969  
Susana Vega Garcia t228

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**The Resident Advisory Board met on May 31, 2016 and made the following recommendations regarding the Annual Plan for Fiscal Year: 10/1/2016 – 9/30/17:**

- In Livingston install swings in common area where playground was before.
- In Livingston install new water lines/pipes since water is colored at times, pipes break easily due to age and corrosion.

Ms. Chavez thanked HACM for trimming the trees since it was a big concern she had because of branches falling and trees falling over.



HOUSING AUTHORITY OF THE COUNTY OF MERCED  
**Resident Advisory Board Members**  
**2016**

T. Tilman T7433 / 012d  
V. Oglesby T 0455 / 012c  
T. Esermoma T 7253 / 11 (Did not attend)

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**The Resident Advisory Board met on May 26, 2016 and made the following recommendations for the Agency's 5-Year Plan (2016-2017) and ACOP (2016):**

- Property 012c – Security lights on the back side of the property
- Property 012c – Fence in tenants yards
- Property 012d – Road Repairs through the Globe area
- Property 012d – More lighting in the back parking lot – near office area
- Property 012d – Over grown trees – Lrg birds (Egrets) are living in them, making a mess with droppings – these birds are a protected species. I would recommend that the trees be trimmed. These birds live in the highest point in the trees.
- Property 012d – Abandoned house across from our complex. Harbors homeless and a lot of foot traffic

X 

# Housing Authority of the County of Merced

405 U STREET MERCED, CA 95341

PHONE (209) 722-3501

FAX (209) 722-0106

VISIT OUR WEB SITE AT: [www.merced-pha.com](http://www.merced-pha.com)



## MEMORANDUM

**To: Resident Advisory Board**

**From: Rennise Ferrario, Executive Director**

**Date: June 20, 2016**

**Subject: HACM Annual Plan for FY 2016-2017 and ACOP Revisions**

Each year as the Housing Authority prepares the agency Annual Plan public meetings are held with the Resident Advisory Board and the public to share information regarding the Annual Plan, Capital Fund improvements, future plans and goals. This opportunity is also utilized to gather input and information to best address the needs and concerns of our residents.

Three meetings were held on the following dates:

- May 26, 2016 – Merced
- May 26, 2016 – Dos Palos
- May 31, 2016 – Livingston

The following concerns were shared:

### **Dos Palos Resident Concerns**

- Residents shared their concerns regarding safety and suggested additional security lights on the backside of the property and around the office area near the office.
- Overgrown trees in the area have attracted birds that are nesting and dirty.
- What can Housing Authority do about an abandoned house (not HA owned) which attracts the homeless.

### **Housing Authority Actions**

- *Housing Authority will have maintenance check all light fixtures to ensure that all lights are functioning properly. Maintenance staff will check the lighting in the evening time to see if trees are perhaps blocking the light.*
- *Any necessary repairs will be made.*
- *Additional lighting will be considered, if it is determined that additional lightening would benefit the complex.*
- *The Birds that are nesting in the trees are egrets and are considered a protected species. Nothing can be done during the nesting period. When*

*nesting period is over, maintenance will make sure the trees are cut way back so that they do not attract the birds next year.*

### **Livingston Residents**

- Would like swings installed in the playground
- Install new water/sewer lines because they are old and break easy.
- Residents are very thankful that the agency has had the trees in the complex trimmed because they had dry broken branches that they were afraid of falling, as they suffered from the drought.

### **Housing Authority Actions**

- *It is not likely that swing would be considered at this time. The swings were removed due to constant vandalism, ongoing complaints from residents of people hanging out late at night, gang activity, drugs in the park area, unable to control outside traffic. Based on the recommendation of the Livingston Police Department, the swings were removed. Problems were greatly reduced.*
- *Sewer line replacement will be considered as part of 5 Year plan.*

### **Merced Residents**

- Tenants recommended that tree branches touching electrical wires in backyards be trimmed
- Tenant complained that neighbor has too many cats
- Tenant reported mold around her tub
- Tenant recommended screen security doors for the back doors.

### **Housing Authority Actions**

- *All trees were recently trimmed. Those trees touching electrical lines need to be identified by PG&E for trimming. Maintenance will identify trees and contact PG&E*
- *Tenants will be reminded of Pet Policy. Tenant can request “cat traps” if desired.*
- *Maintenance will be scheduled to check mold issue.*
- *Screen doors will be reviewed.*

**Certification by State or Local  
 Official of PHA Plans Consistency  
 with the Consolidated Plan or  
 State Consolidated Plan  
 (All PHAs)**

U. S Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 2/29/2016

**Certification by State or Local Official of PHA Plans  
 Consistency with the Consolidated Plan or State Consolidated Plan**

I, Steve Carrigan, the City Manager,  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the  
Housing Authority of the County of Merced,  
*PHA Name*

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
 Impediments (AI) to Fair Housing Choice of the

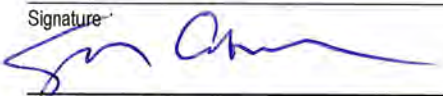
City of Merced  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State  
 Consolidated Plan and the AI.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Steve Carrigan	City Manager
Signature	Date
	5/10/16

<b>Certification by State or Local                  Official of PHA Plans Consistency                  with the Consolidated Plan or                  State Consolidated Plan                  (All PHAs)</b>	U. S Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-0226 Expires 2/29/2016
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**Certification by State or Local Official of PHA Plans  
 Consistency with the Consolidated Plan or State Consolidated Plan**

I, Glen Campora, the Assistant Deputy Director,  
*Official's Name* *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the  
Housing Authority of the County of Merced,  
*PHA Name*

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
 Impediments (AI) to Fair Housing Choice of the  
State of California  
*Local Jurisdiction Name*

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State  
 Consolidated Plan and the AI.

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I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Glen Campora	Title Assistant Deputy Director
Signature 	Date April 28, 2016

## Capital Fund Program Five-Year Action Plan

U.S Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0266  
Expires 4/30/2011

<b>Part I: Summary</b>						
PHA Name:			Locality			
<i>The Housing Authority of the County of Merced</i>			<i>Merced, Merced Co, California</i>		<input checked="" type="checkbox"/> Original 5-Year Plan	<input type="checkbox"/> Revision No:
A.	Development Number and Name	Year 1 FFY 2016	Work Statement for Year 2 FFY Grant: 2017 PHA FY: 2017	Work Statement for Year 3 FFY Grant: 2018 PHA FY: 2018	Work Statement for Year 4 FFY Grant: 2019 PHA FY: 2019	Work Statement for Year 5 FFY Grant: 2020 PHA FY: 2020
B.	Physical Improvements Subtotal	<b>Annual Statement</b>	\$642,688	\$642,688	\$642,688	\$642,688
C.	Management Improvements		\$0	\$0	\$0	\$0
D.	PHA-Wide Non-dwelling Structures and Equipment				\$0	\$0
E.	Administration		\$71,410	\$71,410	\$71,410	\$71,410
F.	Other /Contingency					
G.	Operations					
H.	Demolition					
I.	Development		\$0	\$0	\$0	\$0
J.	Capital Fund Financing - Debt Service					
K.	Total CFP Funds		\$714,098	\$714,098	\$714,098	\$714,098
L.	Total Non-CFP Funds					
M.	Grand Total		\$714,098	\$714,098	\$714,098	\$714,098

form HUD-50075.2 (4/2008)

**Capital Fund Program Five-Year Action Plan**

U.S Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0266  
**Expires 4/30/2011**

<b>Part I: Summary</b>						
PHA Name:			Locality			
<i>The Housing Authority of the County of Merced</i>			<i>Merced, Merced Co, California</i>		<input type="checkbox"/> Original 5-Year Plan	<input checked="" type="checkbox"/> Revision No:
A.	Development Number and Name	Year 1 FFY 2016	Work Statement for Year 2 FFY Grant: 2017 PHA FY: 2017	Work Statement for Year 3 FFY Grant: 2018 PHA FY: 2018	Work Statement for Year 4 FFY Grant: 2019 PHA FY: 2019	Work Statement for Year 5 FFY Grant: 2020 PHA FY: 2020
	<b>Physical Improvements Subtotal</b>	<b>Annual Statement</b>				
	PHA-Agency Wide Site Improvements		\$220,617	\$121,863	\$96,863	\$121,426
	PHA-Agency Wide Unit Modification		\$158,312	\$312,076	\$295,825	\$446,262
	PHA-Agency Wide Fees & Costs		\$75,000	\$75,000	\$50,000	\$0
	PHA-Agency Wide Non Dwelling Structures		\$188,759	\$133,749	\$200,000	\$75,000
			\$642,688	\$642,688	\$642,688	\$642,688

form HUD-50075.2 (4/2008)





Capital Fund Program Five-Year Action Plan

U.S Department of Housing and Urban Development

Office of Public and Indian Housing

OMB No. 2577-0266

Expires 4/30/2011

**Part II: Supporting Pages -- Physical Needs Statement**

Work Statement for Year 1 FFY 2015	Activities for Year: <u>4</u> FFY Grant: <u>2019</u> PHA FY: <u>2019</u>			Activities for Year: <u>5</u> FFY Grant: <u>2020</u> PHA FY: <u>2020</u>		
See	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
Annual Statement	PHA-Agency Wide	Site Improvements	\$ 96,863	PHA-Agency Wide	Site Improvements	\$ 121,426
	PHA-Agency Wide	Unit Modifications	\$ 295,825	PHA-Agency Wide	Unit Modifications	\$ 446,262
	PHA-Agency Wide	Fees & Costs	\$ 50,000	PHA-Agency Wide	Fees & Costs	\$ -
	PHA-Agency Wide	Non-Dwelling Structures	\$ 200,000	PHA-Agency Wide	Non-Dwelling Structures	\$ 75,000
		Subtotal of Estimated Cost	\$ 642,688			\$ 642,688