# Keene Housing Authority's

## Spectrum

## Moving to Work Annual Plan 2007

**Youth program getting ready to plant flowers at Harmony Lane's Annual Green Day**

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Attachments to the 2007 MTW Plan

1. 2007 Budget and Capital Plans
2. Public Hearing Certification
3. Board Resolution 387
4. Summary of 2007 Policy Changes
5. Admissions and Continued Occupancy Plan
6. Administrative Plan for the MTW Section 8 Program
7. HCV Administrative Plan
8. Heading for Home Administrative Plan

# KEENE HOUSING AUTHORITY
# MOVING TO WORK
# ANNUAL PLAN
# FISCAL YEAR 2007

The Keene Housing Authority is pleased to present its plan for the year beginning January 1, 2007. The SPECTRUM Housing Program, which has been in operation since 1999, has resulted in great improvements for our housing and our residents and program participants, and we anticipate that continuing despite funding concerns that are nationwide, not just isolated in our region.

There are a few minor changes in administrative language in this year's plan, but no major changes are being made. However, we have some major areas of concern financially which are:

- The ongoing shortfall in operating funding subsidy coming from the HUD budget. This coming year's funding is projected to be at less than 80% of our eligibility. This means that maintenance, staffing, and operations are very difficult.
- Capital funding is not adequate to keep up with all of the repairs and replacements necessitated by the age of the properties.

The KHA, in response to this ongoing problem, will be making a major investigation in alternative financing for its public housing program. One such option would be utilizing the voluntary conversion of our Public Housing units to Section 8 funding. We will be working with HUD and private concerns to attempt to stabilize the operating funding through this or other options, and to generate capital for the improvement of the housing units. Our goal is to have the Public Housing operated by the KHA be the equivalent of market based units, and to have them funded adequately to allow them to assist the low and moderate income residents that are our mission to serve.

The MTW program allows us to deal with a lot of issues, and we will continue to utilize its flexibility to make our housing programs the best ones possible for our participants and for the KHA.

**Sincerely,**

**P. Curtis Hiebert**
**Chief Executive Officer**

# Mission Statement

## Keene Housing Authority Mission

*The mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and/or advocate for:*

- *Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low to moderate income within the Monadnock region;*

*And; to provide and/or advocate for*

- *Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.*

# MTW Activities

The primary goals of Keene's Spectrum MTW Demonstration program include:

- Increase share of residents making progress toward self-sufficiency
- Achieve greater income mix
- Reduce number of residents moving out of assisted housing
- Increase rent revenues from tenants
- Enhance KHA's capacity to plan and deliver effective programs
- Increase resident satisfaction with their housing and with KHA programs

Keene adopted several program strategies in order to achieve the goals of the MTW demonstration program. These strategies include:

- **Public Housing Step Rents and Housing Assistance Coupon subsidies** that are based on a flat rate determined by bedroom size and reduce gradually over a 5 year period
- Required participation for all families receiving Public Housing and Section 8 Housing Assistance Coupons in the **Resident Self-Reliance Program.**
- **Safety Net** hardship policy to provide temporary relief for people who experience an increase in rent burden due to a qualified decrease in income or increase in expenses.
- **Reorganization** of staff roles and job descriptions to accommodate the shifting paradigm of how we serve participants.

These strategies have proved successful in helping families move to work while continuing to offer affordable housing in an efficient and cost effective manner. This plan outlines the new program developments for 2006.

### Public Housing Step Rents

Elderly and disabled households living in Public Housing may choose to have their rent calculated using the Stepped Rent or traditional income based method. All households that are non-elderly or disabled are required to participate in the Stepped Rent program.

Households electing the income based method of rent calculation will not pay higher than the current Fair Market Rent for their bedroom size. The minimum rent for both rent calculation methods is $125. If families are experiencing a hardship paying this rent they may apply for a rent reduction in the Safety Net Program.

Families in Public Housing are charged a flat rate based on the bedroom size and number of years they have lived in a unit. The subsidy is gradually reduced until a family reaches the 3rd and final step. The 2nd Step and 3rd Step Rents are based on a percentage of the Fair Market Rents. The 2nd step is based on 45% of the FMR and the 3rd step is based on 65% of the FMR. If a family's income increases, their rent will not increase hopefully encouraging them to increase their income and reduce fraud. If a family's income decreases, they may apply under our hardship policy for assistance through the Safety Net program.

**Housing Assistance Coupon Program (HAC) Stepped Subsidies**

The Step Subsidy method works similar to the Public Housing Step Rent method. As in Public Housing, elderly and disabled households are allowed to choose the subsidy calculation. All families that do not have an elderly or disabled head of household are required to participate in the stepped subsidy program. The two main differences include a subsidy that is reduced over a five year period and first year subsidy calculations. The first year's tenant portion of rent is determined by subtracting 20% of gross income (or welfare rent) from the VPS. There is a minimum rent of $50.

If a family's subsidy would be less than the 2nd step but more than the 3rd step, the subsidy would begin at the 2nd step (55% of the VPS) for three years and drop down to the 3rd step (35% of the VPS) for the remaining two years. If the participating family's subsidy would be less than the 3rd step, the subsidy would begin at the 3rd step and remain at that step for the full five years. Eligible families are able to apply for up to a 2 year extension.

There are HCV's included as part of the MTW demonstration because the participants continue to hold an original contract with their landlord. Keene decided it was prudent to honor existing HCV participant's contracts with their landlords at the time of implementing the HAC program rather than force them to sign new contracts. However, HCV participants have the option of converting to a HAC anytime. As MTW HCV participants move or terminate their assistance, their vouchers are converted to a HAC. Welfare to Work vouchers are being absorbed by the HAC program as they are phased out.

There are several other significant differences between the HAC program and a traditional HCV as listed below:

- Over 40% of Income Exemption
- Landlords have the option of Self-Certifying that their apartment meets HQS standards
- Subsidy payments are paid directly to the tenant

<u>40% of Income Exemption</u>

This exemption applies to all families; however, RSR families have more flexibility because their 40% of income is added to the set amount of step-subsidy. Rent reasonableness is not done for our HAC participants. For families receiving Housing Assistance Coupon Program assistance for the first time, and where the gross rent of the rental unit exceeds the applicable payment standard for the family, the KHA ensures that the family share (tenant rent plus utilities) does not exceed 40 percent of monthly-adjusted income.

Families are told that they may not pay more than 40% of their adjusted monthly income towards rent. This is explained in detail at the Issuance of the Housing Assistance Coupon. In addition, families receive the document "Can I Afford the Unit I have Found?" with a detailed explanation of how the numbers were calculated.

If the family wishes to rent an apartment that is expensive enough that their share is above 40% of monthly-adjusted income, KHA considers following circumstances when initially approving a lease—

- Age of the Head of Household
- Disability
- Currently in place
- Length of time family has lived at that address
- The Actual dollar amount the family share exceeds 40% of their adjusted monthly income
- Location—near work or medical services
- Transportation
- The Amount of Assets a family has at is disposal
- Employment
- Contract Rent—does it include utilities?
- Fuel Assistance and or Electrical Assistance
- Food Stamps and or Community Kitchen

Because of the number of possible different circumstances in which a determination will have to be made, the KHA makes determinations on a case by case basis.

The family must fill out and sign an Income and Expense Report with the program manager detailing their ability to afford the apartment. The Income and Expense Form is updated and reviewed at each examination.

Educating Participants on HQS

Keene Housing Authority will conduct initial inspections for all units and encourages new landlords to participate in the initial inspection. Landlords are encouraged to conduct annual inspections on the units. KHA staff work on a regular basis to educate program participants about Housing Quality Standards, providing them with increased ownership over the leasing process while making sure they are not living in a sub standard apartment. The education process starts with an intensive orientation before a HAC is issued. The participant's responsibility for ensuring that their rental unit meets the HQS is explained during this process. During the issuance of Housing Assistance Coupons a KHA staff member provides a detailed explanation of Housing Quality Standards (HQS) utilizing the following materials:

- A Good Place to Live
- Inspection Form for the Housing Choice Voucher Program
- Protect Your Family from Lead in Your Home
- KHA checklist.

Staff have regular contact with program participants and inquires if their apartments still meet HQS. Interim inspections are conducted by KHA if requested by the participant, landlord or KHA.

During quarterly Resident Self-Reliance program meetings, families complete and update family information including information on HQS in their units. During the Annual Recertification process, participants are asked about the HQS and a brief review of HQS is conducted. At least 5% of all units self-certified by the landlord are selected for a quality control inspection every year.

Housing Assistance Payments to the Tenant

The Keene Housing Authority (KHA) provides the RSR families with a rental subsidy to assist them in paying their monthly rent in full. The subsidy is directly deposited into the family's bank account on the 1st of the month. The family is then responsible for paying their rent in full and on time. The payment process is explained to landlords in the Landlord Handbook and upon entry into the program, landlords are sent letters detailing the participant's obligation for paying their rent. In addition, the letter states that if the tenant does not pay the contract rent in full by the fifth of month, then the landlord should contact KHA (name and phone number is given) and KHA will contact the tenant about payment. If a tenant is late with rent payments, landlords may request that the subsidy be paid directly to the landlord. KHA anticipates that no more than 10% of the participants will fall into this category.

Currently, 5.3% of the families have their rental subsidy paid to the landlord, due to late payment of rent. Keene Housing Authority is working with our participants to resolve issues of late payments or non-payment of rent. Initially, some families do not have bank accounts and are required to come into the office to pick up their checks on the first of the month. The option of providing the rental assistance subsidy to the participant is also given to the elderly and individuals with disabilities. Twenty percent of this group has chosen the option of receiving the subsidy directly.

**Resident Self-Reliance Program (RSR)**

All families participating in the Stepped Rent or Subsidy programs are required to participate in the RSR program. An expansion of KHA's former Family Self-Sufficiency program, RSR provides service coordination and case management to help families become economically self-sufficient recognizing that self-sufficiency will vary widely based on individual participant's abilities. Every family in the program is assigned a Resident Service Coordinator who is responsible for coaching the participant's progress.

The RSR program defines competencies for self sufficiency. These competencies outline the skills necessary to achieve economic self-sufficiency. Each family's needs are identified during an initial assessment. The competencies they must work on are identified by the RSC and participant working together. In order to be exempt from required activities, participants must demonstrate they have developed the skills associated with each competency. Competency categories include the core skill groups of financial management, employment, education and family planning in addition to the self-development groups of interpersonal skills, wellness, healthy relationships and household management. The program is uniquely tailored to the family's skills, resources and goals. Each family works to achieve competencies specific to their circumstances since the abilities and backgrounds of participants are diverse and one plan would not be suitable for all families.

There are 4 main program requirements participants must engage in to remain active in the Spectrum program and maintain their housing assistance:

- Develop a financial plan
- Participate in quarterly goal setting meetings

- Participate in required skill development activities
- Make reasonable progress toward ISTP goals

Develop a Financial Plan
Each participant receives extensive counseling in financial management from the moment they lease-up in the program. They are taught how to track their income and expenses, develop a financial plan, calculate their net worth, read and interpret their credit score and manage debt.

Quarterly Goal Meetings
Participants meet on a quarterly basis to review progress on their goals in small groups of up to 20 people. The intention of these meetings is to provide an opportunity for program participants to network, problem –solve, share successful strategies and learn about new resources, programs and financial management and employment strategies. Topics may include tax filing, job search strategies, saving for a financial goal etc. At the end of every meeting, participants update their Individual Service and Training Plan (ISTP's). An ISTP outlines the family's goals and the steps and resources required to meet them.

Skill Development Activities
Participants who need to achieve competencies are required to accomplish take home activities or workshops that will assist them in developing the associated skills. There are numerous workshops facilitated by KHA staff as well as programs run by outside agencies.

Goal Setting
Every person is required to develop and update their ISTP's every quarter. The ISTP helps participants identify a goal and break it down into simple steps. Participants are taught how to write SMART goals (Specific, measurable, achievable, resources, and time lines). They are required to document and track their progress on these forms and revise as their goals change or new goals are added once significant milestones have been achieved.

The RSC acts as a coach and mentor guiding their participants to self-sufficiency. All RSC's are trained in financial management programs and are available to meet one on one to provide additional assistance to participants.

**Safety Net**
The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows participants to work off a portion of their rent by completing jobs for the Keene Housing Authority, follow a payment arrangement, or reduce the rent/increase subsidy for a specified period of time by conducting an interim adjustment.

Participants who work to pay rent receive an hourly rental credit toward their rent balance. Safety Net is not meant to take the place of full-time employment for the participants who are able to work. Participants are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship.

Information on the Safety Net program is distributed during lease-up and/or issuance, during annual certifications and self-certifications to remind housing recipients that they are entitled to

apply for assistance. No one shall be denied the opportunity to apply but acceptance is at the sole discretion of the Keene Housing Authority.

Safety Net Eligibility Guidelines

Anyone who receives assistance under the Spectrum MTW program may apply for assistance through the Safety Net program. Applicants must meet all three of the following criteria to be eligible for Safety Net:

- In good standing with the KHA
- In compliance with the RSR program
- Income eligible: resident pays more than 30% of their monthly income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional criteria such as:

1. Presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work
3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the Resident's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Applies by the 20th of the month prior to the month for which they are requesting assistance or within ten days of the effective date of their income or expense change.(with exception of unexpected occurrences such as loss of job or illness)

Once an applicant has been accepted into the Safety Net program they must sign an amendment to their lease or Family Obligations Contract that adjusts their rent/subsidy for a specified time frame.

## Households Served

The projected number of households to be served in 2007 is consistent with previous year's projections and actual numbers. The number of Public Housing units, 226, will remain the same in 2007. While the Keene Housing Authority's HCV allocation is 409, we have been able to serve more families due to the flexibility allowed in calculating subsidy.

**Projected Households Served for 2007**

| Program | Bedroom Size | | | | | |
|---|---|---|---|---|---|---|
| | Studio | 1 BR | 2BR | 3BR | 4BR+ | Total |
| PHA | | | | | | |
| Bennett Block | 1 | 12 | 1 | 0 | 0 | 14 |
| Harper Acres | 49 | 55 | 8 | 0 | 0 | 112 |
| Forest View | 0 | 0 | 12 | 26 | 0 | 38 |
| North/Gilsum | 0 | 0 | 0 | 23 | 6 | 29 |
| Farmstead Commons | 0 | 0 | 3 | 0 | 0 | 3 |
| Scattered Sites | 0 | 6 | 12 | 9 | 3 | 30 |

| | | | | | | |
|---|---|---|---|---|---|---|
| PHA Totals | 50 | 73 | 36 | 58 | 9 | 226 |
| HCV | | | | | | |
| HCV's | 10 | 225 | 140 | 70 | 5 | 450 |
| The HCV's noted above include MTW and 50 Mainstream vouchers | | | | | | |

**Projected Characteristics of Households Served 2007**

| | Section 8 | Public Housing |
|---|---|---|
| **Total Households Served** | 450 | 226 |
| **Unit Size** | | |
| 0 | 10 | 50 |
| 1 | 225 | 73 |
| 2 | 140 | 36 |
| 3 | 70 | 58 |
| 4+ | 5 | 9 |
| TOTALS | 450 | 226 |
| **Family Type** | | |
| Family | 175 | 100 |
| Elderly/Disabled | 275 | 126 |
| TOTALS | 450 | 226 |
| **Income Group** | | |
| >30 | 250 | 135 |
| 30 -50 | 140 | 68 |
| 50 – 80 | 60 | 23 |
| >80 | 0 | 0 |
| TOTALS | 450 | 226 |
| **Race/Ethnicity** | | |
| American Indian/Alaskan Native | 0% | 0% |
| Asian | 0% | 0% |
| Black | >1% | >1% |
| Hawaiian | 0% | 0% |
| White | 99% white | 99% white |
| Hispanic | >1% | >1% |
| Non-Hispanic | 99% | 99% |

**Projected Characteristics of the Waiting List for Public Housing and Section 8**

The end of 2006 closes a 3 year development and construction period completed by the Keene Housing Authority. Since 2005, 33 units of senior LHITC housing and 57 units of family LIHTC housing have been constructed and all will be leased up by the end of November, 2006. In addition, another local housing group completed construction and lease-up of several new LIHTC family and elderly housing developments. The leasing up of these properties reduced our waiting lists in public housing.

We anticipate the list becoming longer in 2007 by several months since we are not constructing or leasing up any new housing. Possible relocation of Public Housing tenants, due to anticipated rehabilitation of the properties, could also contribute to a slight increase in waiting time if KHA successfully refinances and converts its Public Housing to Section 8 at the end of 2007. Since we have a higher demand for two bedrooms, the Keene Housing Authority may offer 3 bedroom units to applicants who are on the two bedroom waiting list. If they refuse, they would not lose their place on the 2 bedroom waiting list since the 3 bedrooms are more expensive to rent than 2 bedrooms due to the Step Rent system.

Keene Housing Authority uses the sites based waiting list system permitting families to select the specific sites for which they want to be placed on the waiting list. Currently there are 241 families and 144 elderly families on the Public Housing waiting lists. We expect this number to increase slightly over 2007 expecting about 500 people on the waiting list. Our scattered sites continue to be the most popular choices among families because they do not have the stigma associated with them as do North/Gilsum and Harmony Lane family sites. The scattered site waiting list will be purged in 2007 which we predict would result in a decrease in the number of people on the list.

The waiting list for HCV/HAC is currently at 30 months and we expect this list to continue to lengthen as demand for Section 8 assistance continues to rise yet our allocation remains the same. At the end of 2006 we expect to issue about 33 vouchers to residents moving into Stone Arch Senior Housing which is scheduled to be leased-up in November.

**2007 Projections for Waiting List Totals**

| Family Type | Family | Elderly/Disabled | Totals |
|---|---|---|---|
| PHA | 250 | 250 | 500 |
| HCV | 238 | 235 | 473 |
| Totals | 488 | 488 | 973 |

**Projections Based on Actual Figures in 9/2006**

| Unit Size | 0 | 1 | 2 | 3 | 4+ | Length in Months of Waiting List |
|---|---|---|---|---|---|---|
| PHA | | | | | | |
| Bennett Block | 5 | 6 | 0 | 0 | 0 | 12 months |
| Harper Acres | 89 | 130 | 11 | | 0 | 19 -22 months |
| Forest View | 0 | 0 | 41 | 18 | 0 | 5 to 7 months |
| North/Gilsum | 0 | 0 | 0 | 16 | 5 | 3 to 5 months |
| Scattered Sites | 0 | 163 | 46 | 19 | 8 | 30 to 40 months |
| Farmstead Commons | 0 | 0 | 15 | 0 | 0 | 30 to 40 months |
| Totals | 94 | 299 | 113 | 53 | 13 | |
| HCV | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| MTW | 149 | 140 | 108 | 69 | 7 | 446 |
| Totals | | | | | | |

| Income Level | >30% ELI | 30% -50% VLI | 50% -80% LI | Total |
|---|---|---|---|---|
| Bennett Block | 5 | 1 | 0 | 6 |
| Harper Acres | 96 | 39 | 13 | 148 |
| Forest View | 37 | 6 | 9 | 52 |
| North/Gilsum | 13 | 0 | 2 | 15 |
| Farmstead Commons | 15 | 3 | 2 | 20 |
| Scattered Sites | 155 | 58 | 17 | 230 |
| Totals | 321 | 107 | 43 | 471 |
| HCV | 343 | 105 | 25 | 450 |
| Totals | 867 | 282 | 65 | 991 |

# Occupancy Policies

**Statement of Policies: Eligibility, Tenant Selection and Deconcentration**

The following changes are being proposed to the following Keene Housing Authority's policies:

- Admissions and Continued Occupancy Policy
- Housing Assistance Coupon Program Administrative Plan
- Heading for Home Homeownership Administrative Plan

There are very few policy changes proposed for 2007. There were a variety of revisions and administrative changes to the plans. The full list of revisions is enclosed as an attachment to this plan for easier reference. The major and highly significant change is the exploration of a voluntary conversion of Public Housing to Section 8 in addition to the possible refinancing of Public Housing. Both changes would allow the Keene Housing Authority to make much needed capital repairs and improvements to the properties and achieve financial viability of the properties. This has been difficult to achieve under public housing's current funding formula for operating and capital plan budgets.

**HCV/HAC Waiting List Preferences**

KHA Owned and Managed Properties Special Admission

Applicants who are offered and accept housing assistance for KHA owned or managed property will receive a preference for admission. It will be at the discretion of the Keene Housing Authority to determine whether or not the assistance issued will be in the form of a Housing Choice Voucher or Housing Assistance Coupon.

Applicants will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

Preferences will be ranked in the following order with the first preference receiving the highest priority:

1. Natural Disaster/Governmental Displacement

2. KHA owned and managed properties
3. KHA Tenants for Homeownership Voucher Admission
4. Section 8 SPECTRUM Special Admission for Public Housing residents
5. **Continuum of Care Special Admission (HUD funded programs)**
6. **The Female Offender Reentry And Community Connections Program Graduates**

When selecting applicants from the waiting list the KHA will offer assistance to the highest ranking applicant.

It is possible that families who are lower on the waiting list may receive an offer of housing assistance ahead of families with an earlier date and time of application or lower preference status.

Factors such as income targeting will also be considered in accordance with HUD requirements and KHA policy.

Inspections

**Keene Housing Authority will conduct all initial inspections for all units. The owner/landlord may request that KHA conduct the annual inspection; however, landlords will be encouraged to do their own annual inspections.** The owner/landlord may change designation at any time. No unit will be initially placed on the Housing Assistance Coupon Program unless the HQS is met.

**Annual Inspections must be completed by KHA or landlord within 30 days of the annual date of the last inspection.**

The KHA must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. **Photographs will be taken during inspections conducted by the Keene Housing Authority if and when it is deemed necessary to document an existing condition that would constitute a housing quality standard deficiency. Refusal by a tenant or property owner to allow photographs to be taken of (a) deficient condition(s) shall constitute an automatic inspection failure.**

The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make prior arrangements to enable the Keene Housing Authority to enter the unit and complete the inspection.

H4H Plan Requirements

**Prior to receiving H4H assistance, families must successfully complete a homeownership counseling program provided or approved by KHA within 24 months of closing on a home.** The program will cover home maintenance, money management and budgeting, credit counseling, purchasing negotiations, securing financing, predatory lending, finding a home, fair housing and the advantages of purchasing in areas with a low concentration of low-income families. The counseling agency and program will be HUD approved or consistent with HUD's housing counseling program. **Public Housing residents must participate in the Homeownership Education program and financial counseling before they will be issued a H4H voucher.**

## Changes in Housing Stock

No changes are proposed in public housing stock. Keene Housing Authority plans to keep all 226 units of public housing active. However, Keene Housing Authority is in the process of investigating alternative financing for its public housing program. One such option would be utilizing the voluntary conversion of our Public Housing units to Section 8 funding.

| Public Housing | Units | Type | Bedrooms | Contract Number |
|---|---|---|---|---|
| Harper Acres | 112 | Elderly & Disabled | 49-0BR, 55-1BR, 8-2BR | NH36-P010-001 & 002 |
| Bennett Block | 14 | Elderly & Disabled | 1-0BR,12-1BR,1-2BR | NH36-P010-009 |
| Forest View | 38 | Family | 12-2BR, 26-3BR | NH36-P010-003 |
| North & Gilsum | 29 | Family | 23-3BR & 6- 4BR | NH36-P010-003 |
| 17-19 Roxbury Ct | 4 | Family/Elderly | 4-1BR | NH36-P010-005 |
| 440 Main St. | 2 | Family | 2-4BR | NH36-P010-005 |
| 64 Spring St. | 2 | Family | 2-3BR | NH36-P010-005 |
| 69 Elm St. | 2 | Family | 2-2BR | NH36-P010-005 |
| 537-539 West St. | 4 | Family | 4-2BR | NH36-P010-005 |
| 51 Forest St. | 3 | Family | 1-1BR, 2-3BR | NH36-P010-006 |
| 309 Water St. | 3 | Family | 3-2BR | NH36-P010-006 |
| 390 Water St. | 2 | Family | 1-1BR & 1-4BR | NH36-P010-006 |
| Farmstead Commons, # 54,# 59, # 69 | 3 | Family | 3- 2 BR | NH36-P010-009 |
| 45 Damon Court | 6 | Family | 2-2BR, 4-3BR | NH36-P010-010 |
| 9 Spruce St. | 2 | Family | 2-3BR | NH36-P010-010 |
| Total Public Housing Units | 226 | | | |

As of November 2006, the Keene Housing Authority will have completed a major period of development and construction of Low Income Housing Tax Credit (combined with other sources of funding; HOME, CDBG and Rural Development) sites including Evergreen Knoll, 32 units of family housing, Stone Arch Village Family Housing, 24 units and Stone Arch Village Senior Housing, 33 units. All applicants on the public housing waiting list were invited to apply for these new developments.

## Vacancy Rates

The Keene Housing Authority's goal is to achieve a vacancy rate of 3% or less for all public housing units. The anticipated vacancy rate for January 2007 is based on the average vacancy rates for the first 3 quarters of 2006.

| Property | | Anticipated Vacancy Rate Jan 2007 | Target Vacancy Rate Dec. 2007 |
|---|---|---|---|
| Harper Acres | 10-1,10-2 | 2% | 1% |
| Bennett Block | 10-9 | 4% | 1% |
| Forest View | 10-3 | 3% | 2% |
| North & Gilsum | 10-3 | 6% | 3% |
| Scattered Sites | 10-5,10-6 | 1% | 1% |
| Farmstead Commons | 10-9 | 1% | 1% |
| Damon Ct & Spruce St | 10-10 | 1% | 1% |

The Keene Housing Authority strategies to achieve low vacancy rates include:

- Increase Intake staff to decrease time it takes to complete application process
- Market housing to local employers in addition to traditional target market audiences
- Increase marketing and image of public housing in the community
- Complete turnovers within 10 days or less
- Increase orientation and education of applicants to help them make informed decisions earlier in the application process by offering regular orientation sessions. The sessions ill include information about the application process, information about all KHA owned and managed properties and programs, tenant responsibilities and program requirements.

## Rent Collections

It is the policy of the Keene Housing Authority that tenant rents are due in full on the first day of each month at the office located at 831 Court St., Keene, NH. The amount due shall remain in effect until adjusted in accordance with the provisions of the lease. If a reasonable accommodation on where to pay rent is needed, other arrangements can be made. Cash payments are not acceptable. If a Resident fails to make the rent payment by the fifth of the month, a Notice To Quit will be issued to the Resident. A $15.00 late charge will be assessed to cover the added costs of rent payment received after the fifth day of the month. A check returned for non-sufficient funds shall be considered non-payment of rent and in addition to the late charge; a $15.00 returned check fee will be charged.

On the 5th of the month, Accounting will provide Property Managers with the Lease Action Status Report. This report includes Safety Net participants, who will not receive a Lease Termination unless they have failed to comply with the terms outlined in the Safety Net Amendment. Property Managers will distribute the Termination of Lease and Notice To Quit on the day of issuance. Notices must be hand delivered. The Notice To Quit will indicate that the Resident must quit the premises within 15 days of the notice.

Residents have the right to avoid termination and eviction by paying the full amount of back rent due plus $15.00 on or before the 15th day following the notice, unless they have received three prior Termination and Notice To Quit within this calendar year. Residents have the right to request a hearing on the lease termination action under the Housing Authority's Grievance Procedure. A written request must be filled with the Property Manager within 10 days of the Notice To Quit.

Requests for Grievance Hearing may be denied unless the full amount of the rent due plus $15.00 is deposited into an escrow account.

If the Resident fails to make payment in full on or before the Termination date, the file will be turned over to the Housing Authority's legal counsel. At the Property Manager's recommendation, Keene Housing Authority will either request a Repayment Agreement or a court date.

If a Safety Net participant fails to comply with the terms outlined in the Amendment to the Lease, they will receive a Lease Termination and their case will follow the Lease Termination/ Notice To Quit process. Their Safety Net agreement will become null and void and their rent will return to the original amount as outlined in their lease.

When a resident owes the Keene Housing Authority back charges and is unable to pay the balance by the due date, the resident may request that the Keene Housing Authority allow them to enter into a Repayment Agreement. The Keene Housing Authority has the sole discretion of whether to accept such an agreement. All Repayment Agreements must assure that the full payment is made within a period not to exceed six (6) months. All Repayment Agreements must be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the Resident to eviction procedures.

In 2006 the Keene Housing Authority has started to send former tenants owing balances over a $200 to a collections agency. This should help us meet the target goal of having less than 1% of rent uncollected by the end of fiscal year 2007.

| Property | | Anticipated Rents Uncollected Dec. 2006 | Target Rents Uncollected Dec. 2007 |
|---|---|---|---|
| Harper Acres | 10-1,10-2 | <4 % | <1% |
| Bennett Block | 10-9 | <6% | <1% |
| Forest View | 10-3 | <2% | <1% |
| North & Gilsum | 10-3 | <16% | <1% |
| Scattered Sites | 10-5,10-6 | <6% | <1% |
| Farmstead Commons | 10-9 | <1% | <1% |

# Work Orders

| Projected and Target Work Order Response Rates | | | |
|---|---|---|---|
| Projected Response Rates Dec 2006 | | Target Response Rate Dec 2007 | |
| Normal | 98% in 30 days or less | Normal | 30 days or less |
| Emergency | 100% | Emergency | 100% |

Issues and Proposed Actions

Some of the issues facing the Maintenance Department in 2007 are as follows:

- Snow plowing in the winter consumes a significant amount of the KHA Maintenance staff time diverting attention from daily responsibilities such as turnovers and work orders.
- Cleaning common areas of buildings continues to be problematic and the inability to recruit a qualified leader for the cleaning crew further threatens the quality and ability to complete the function to high standards.
- Implementing an inventory control system for all supplies, appliances and equipment owned by the KHA.
- Increasing technical skill level of employees.
- Depreciating vehicles.

In Response to these issues, the Maintenance and Facilities Department has set the following goals for 2007:

- KHA is outsourcing about three quarters of the plowing duties to decrease overtime of KHA employees and improve response times during the winter months.
- After an unsuccessful attempt to hire a well qualified lead cleaning person KHA is advertising a Request for Proposal to contract out cleaning functions.
- Inventory, appliance and tool control will be addressed by a barcode system in place at our new maintenance facility. We are in the process of getting the necessary information loaded into the system and operating to full capacity.
- More comprehensive staff training and better organization of work loads will improve both quality and quantity of work.
- Vehicle use needs will change due to outsourcing of 75 % of the plowing. KHA plans to convert to a van based service over time moving away from expensive to run and maintain pick up trucks. We believe this will save a significant amount of money and provide better availability of supplies on site, translating into more efficient service work.

Work Order Systems

All maintenance work performed at KHA properties can be categorized by the source of the work. Each piece of work originates from a particular source: an emergency, the routine maintenance schedule, the preventive maintenance schedule, a unit inspection, a unit turnover, or a resident request.

Emergencies are the highest priority source of work. The Keene Housing Authority will consider a work item to be an emergency if the following occur:

- The situation constitutes a serious threat to the life, safety or health of residents or staff; or
- The situation will cause serious damage to the property structure or systems if not repaired within twenty-four (24) hours.

If a staff member is unsure whether a situation is an emergency, he or she will consult with his or her supervisor. If a supervisor is not available, the employee will use his or her best judgment to make the decision.

For emergencies that occur after regular working hours, the Keene Housing Authority shall have a twenty-four (24) emergency response system in place. This response system includes the designation of a maintenance employee in charge for each day as well as a list of qualified pre-approved contractors, open purchase orders for obtaining required supplies or equipment, and access to Authority materials and supplies. The designated employee shall prepare a work order and report on any emergency within twenty-four hours after abatement of the emergency.

## Inspections

The Keene Housing Authority conducts a physical and mechanical annual inspections in coordination with Property Managers and Maintenance staff. 100% of units are inspected every year. Additional housekeeping inspections are conducted on an as needed basis.

Move-in Inspections
An authorized representative of the Keene Housing Authority and an adult family member will inspect the premises prior to commencement of occupancy. A written statement of the condition of the premises will be made, all equipment will be provided, and the statement will be signed by both parties with a copy retained in the Keene Housing Authority file and a copy given to the family member. An authorized Keene Housing Authority representative will inspect the premises at the time the resident vacates and will furnish a statement of any charges to be made provided the resident turns in the proper notice under State law. The resident's security deposit can be used to offset expenses related to damages to the unit.

The Keene Housing Authority and an adult member of the family will inspect the unit prior to signing the lease. Both parties will sign a written statement of the condition of the unit. A copy of the signed inspection will be given to the family, if requested, and the original will be placed in the tenant file.

Annual Inspections
The Keene Housing Authority will inspect each public housing unit annually to ensure that each unit meets the Keene Housing Authority's housing standards. Work orders will be submitted and completed to correct any deficiencies. This is generally conducted along with the annual inspection. This inspection is intended to keep items in good repair. It checks weatherization; checks the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures; checks for leaks; and provides an opportunity to change furnace filters and provide other minor servicing that extends the life of the unit and its equipment.

A special inspection may be scheduled to enable HUD or others to inspect a sample of the housing stock maintained by the Keene Housing Authority.

Generally, at the time of annual reexamination, or at other times as necessary, the Keene Housing Authority will conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition.

For inspections defined as annual inspections, preventative maintenance inspections, special inspections, and housekeeping inspections, the Keene Housing Authority will give the tenant at least two (1) days written notice.

If any employee and/or agent of the Keene Housing Authority have reason to believe that an emergency exists within the housing unit, the unit can be entered without notice. The person(s) that enters the unit will leave a written notice to the resident that indicates the date and time the unit was entered and the reason why it was necessary to enter the unit.

When a tenant gives notice that they intend to move, the Keene Housing Authority will offer to schedule a pre-move-out inspection with the family. The inspection allows the Keene Housing Authority to help the family identify any problems, which, if left uncorrected, could lead to vacate charges. This inspection is a courtesy to the family and has been found to be helpful both in reducing costs to the family and in enabling the Keene Housing Authority to ready units more quickly for the future occupants.

The Keene Housing Authority conducts the move-out inspection after the tenant vacates to assess the condition of the unit and determine responsibility for any needed repairs. When possible, the tenant is notified of the inspection and is encouraged to be present. This inspection becomes the basis for any claims that may be assessed against the security deposit.

## Sources, Uses and Amounts of Funding

| Source | 2006 Projected | 2007 Budget |
|---|---|---|
| Section 8 Funds | $ 2,573,666 | $ 2,663,055 |
| Public Housing Operating Fund | $ 311,844 | $ 416,250 |
| Public Housing Capital Fund | $ 291,039 | $ 291,039 |
| Public Housing Rental Income | $ 840,000 | $ 840,000 |
| Public Housing Non Dwelling Income | $ 15,100 | $ 30,600 |
| Interest Income | $ 11,000 | $ 11,000 |
| Fees, Congregate Program | $ 48,000 | $ 48,000 |
| Other Income | $ 23,000 | $ 23,000 |
| Total | **$ 4,113,649** | **$ 4,322,944** |

| Uses | 2006 Projected | 2007 Budget |
|---|---|---|
| Admin & Program Expenses | $ 897,999 | $ 928,230 |
| Utilities | $ 450,000 | $ 471,000 |
| Maintenance Expenses | $ 556,061 | $ 574,594 |
| General Operating Expenses | $ 167,934 | $ 169,893 |
| Capital Fund Improvements | $ 121,700 | $ 192,588 |
| HAPs Disbursed | $ 1,919,955 | $ 1,986,639 |

| | | |
|---|---|---|
| Total | $ 4,113,649 | $ 4,322,944 |

The Keene Housing Authority receives public housing operating funds based on a HUD calculated formula which is then prorated based on annual appropriations. The formula for calculating operating funds for 2007 will be significantly different than the calculations in prior years. The operating fund projection for 2007 is based on the new HUD calculation and then prorated at an estimated 75%. Public housing is also allotted capital funds based on a calculated and prorated formula. The projection for 2007 is that funding will remain level. Section 8 funding is based on a prorated formula calculated on the per unit cost for 2006 plus the annual adjustment factor and then prorated at 95%. The Keene Housing Authority also receives funding to support a Congregate Services program which provides meals and supportive services to frail elderly and residents with disabilities living in public housing. Sources of funds referred to above are estimated on the information at the time of this report and are subject to change based on final calculation methods and prorations.

Planned expenditures for 2007 are detailed above. The ongoing reductions in public housing funding continue to present a major challenge. The Keene Housing Authority will continue to strive in 2007 to maintain the level of services and programs that we provide to our clients. Dedicated managers and staff continue to find innovative methods to serve prospective clients and existing tenants. Personnel cuts have been made, maintenance contracts have been aggressively negotiated, and administrative functions have been streamlined wherever possible, while maintaining the integrity and accuracy of record keeping and financial reviews. We will continue to maintain our properties within the limited budget we have and most major repairs will be deferred until further funding becomes available to address the long term needs of these properties. Units are updated to the extent possible as turnovers occur and general maintenance and repairs are performed as needed to maintain these aging properties and systems.

Operating Reserves for public housing have been depleted as funding has decreased. At the proposed funding levels for 2007, no additional funds will be available to set up Reserves for public housing.

The flexibility and fungibility of funds afforded us by our participation in the Moving To Work program has allowed us to successfully continue our programs, serve our clients, and maintain our housing stock.
Consolidated Budget Statement

## Capital Planning

### Planned Expenditures

The Keene Housing Authority had a comprehensive Capital Needs Assessment completed in April 2004. The assessment is currently being updated to reflect work completed to date and to determine if any priorities have changed. Capital Improvements are scheduled to be completed as funding becomes available. Units are updated as turnovers occur. Ongoing property inspections, and information provide by property managers and maintenance personnel provide critical input in determining the priorities of repairs and upgrades. Without a dramatic increase in public housing funding, we will be unable to provide needed updates and changes to restore the properties to the level of housing we would like to provide to our tenants and to assure the long term viability of the properties. In the interim, we will continue on the path of making necessary repairs.

| Development | Description of Work | Budget |
|---|---|---|
| | | 2007 |

| | | | | |
|---|---|---|---|---|
| HA Wide | | Operations/Admin | $ | 58,451 |
| HA Wide | | Management Improvements | $ | 10,000 |
| HA Wide | | Administration | $ | 30,000 |
| HA Wide | | Energy Lease | $ | 57,000 |
| NH10-1, 2 | | Dwelling Improvements | $ | 20,000 |
| NH10-3 | | Site Improvements | $ | 45,000 |
| NH10-3 | | Dwelling Improvements | $ | 40,588 |
| NH10-5,6 | | Dwelling Improvements | $ | 5,000 |
| NH10-9,10 | | Dwelling Improvements | $ | 25,000 |
| | | | $ | **291,039** |

## Security

There is little drug-related crime in this community with a population of less than 25,000 people. The Keene Housing Authority's developments are provided the same level of public security and protection as the surrounding neighborhoods and the community at large.

There is no evidence that security problems and drug-related crimes have been increasing in the City of Keene, on either the Keene Housing Authority developments or surrounding neighborhoods. Crimes that are typically reported include domestic disputes, robbery, and vandalism.

The Keene Housing Authority maintains basic records documenting the nature and extent of security and crime problems that occur within the public housing communities. This information is supplied by the local police department. On a regular basis the Police Department sends a report of all calls for service made to Keene Housing Authority owned and managed properties. When the information is received, the Property Managers follow-up with appropriate action to address the problem.

Incidences occurring in public spaces and common areas are generally reported to the Keene Police Department for their action. The Police Department advises the Housing Authority when illegal activities involve residents. Police records involving Housing Authority residents are made available upon request. The Keene Police Department has expressed their support to cooperate and partner with the Housing Authority on strategies for ensuring the continued safety and security of residents and preventing drug/crime activity from occurring in and around Housing Authority properties. Police have attended community meetings at Public Housing developments to educate residents and assist them in dealing with community problems.

The Keene Housing Authority is currently involved in the following safety and crime prevention activities:

- Tracking crime and crime-related problems and reporting incidents of criminal activity to the Keene Police department.
- Maintaining a system for cooperating with the Keene Police Department in tracking crime and crime-related problems.
- Adopting and implementing procedures that screen out and deny admission to specific applicants.
- Admission is denied to applicants who have a recent history of criminal activity involving crimes to persons or property and/or other criminal acts that would adversely affect the health, safety, or welfare of other residents or Housing Authority staff.
- Admission is denied to applicants, who were evicted, because of drug-related criminal activity for a minimum of a three-year period beginning on the date of such eviction, unless the

applicant has successfully completed, since the eviction, a rehabilitation program approved by the Housing Authority.

- Admission is denied if the Keene Housing Authority has reasonable cause to believe the applicant is illegally using a controlled substance.
- Admission is denied if the Keene Housing Authority has reasonable cause to believe an applicant abuses alcohol in a way that causes behavior that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents or Housing Authority staff.
- Adopting and implementing lease enforcement policies and procedures that include eviction of any resident and/or family members or other occupants of the leaseholder's household who engages in any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or Housing Authority staff; engages in drug-related criminal activity; abuses alcohol in a way that causes behavior that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents or Housing Authority staff.
- Maintenance is implementing a plan to improve key systems, enhance key security and upgrade entrance systems. Our newest senior apartments will use a card reader key system at entrance doors as does the new office. This virtually eliminates the ability to duplicate keys and means a lost or stolen key can be de programmed immediately.
- Continued training of our staff in what to look for and how to report suspicious activity combined with inspections have also improved the quality of life at our developments.

## Leasing Information

### Target Lease-ups for Section 8

| MTW HCV/HAC's | Projected Utilization Jan 2007 | Target Utilization in Dec 2007 |
|---|---|---|
| | 104% | 110% |

### Target Lease-ups for Housing Assistance Coupon Program (HAC)

Keene Housing Authority's total MTW allocation for vouchers is 409. KHA anticipates having 450 units under lease in December 2007.

### Rent Reasonableness

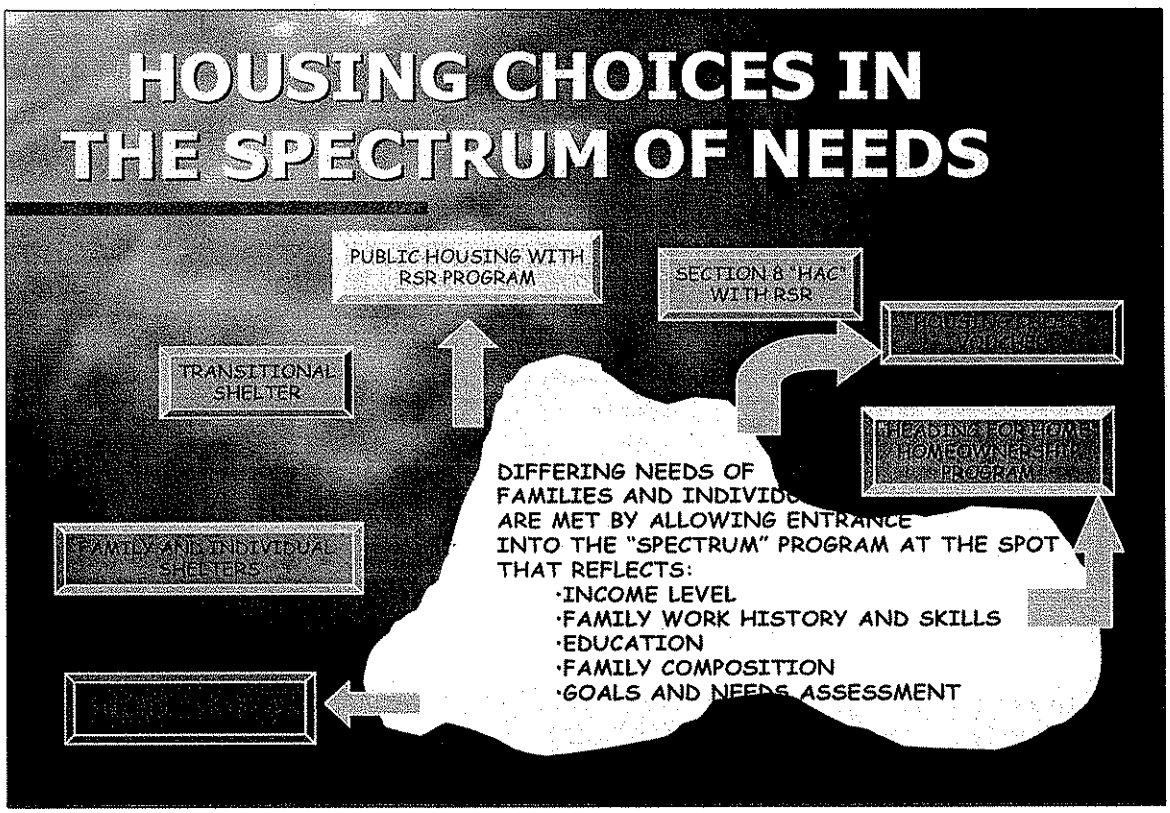
KHA provides training to new participants in how to determine if the rent being asked for a unit is reasonable. Participants are trained to address location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of comparable units. Additionally participants are trained in negotiating rents and rent increases. The KHA inspector maintains information on rent reasonableness in Keene and this information is used in the Housing Assistance Coupon program.

### Increased Housing Options

Housing opportunities have been expanded under the Spectrum MTW program due to the following strategies:

- The 40% income exemptions allows for increased housing options for participants.
- Income eligibility up to 80% achieves a greater income mix of families.
- Implementing a site-based waiting list system provides families with the option of choosing the waiting lists they want to be placed on in Public Housing.
- Collaborations with local shelter program and the creation of the Heading for Home Homeownership program increase the spectrum of housing options figure below
- Development of LIHTC programs will provide additional housing choices in 2005 for applicants on Keene Housing Authority waiting lists.

- Collaboration with local agencies such as shelter and Mental Health agencies.




### Deconcentration Policy

The Keene Housing Authority monitors the characteristics of households served to make sure there isn't a large concentration of incomes in a specific geographic area. The Keene Housing Authority, after analyzing Census data for the City of Keene, has applied that analysis to the public housing developments owned and operated by the KHA. Due to the fact that there is but a single census tract for the City of Keene, and due to the small size of the KHA public housing family developments, (each of which is less than 50 units), the Board of Commissioners for the Keene Housing Authority determines that there is no need for a Deconcentration Plan for KHA operations.

## Inspection Strategy

The Keene Housing Authority employs several types of inspection strategies to ensure all subsidized apartments meet HQS in addition to extensive education programs for both the participant and the landlord.

Keene Housing Authority conducts inspections for all HCV participants as noted in the chart below.

| HCV Planned Inspections Completed | Target Percentage Completed | Actual Percentage Completed |
|---|---|---|
| Annual HQS Inspections | 100% | 100% |
| Pre-Contract HQS Inspections | 100% | 100% |
| HQS Quality Control Inspections | 100% | 100% |

70% of inspections for participants in the Housing Assistance Coupon Program (HAC) are conducted by the landlord. In the HAC Program, Keene Housing Authority will conduct the initial inspections (as well as educate the landlords with HQS inspections). The landlord is encouraged to conduct the required annual inspections to ensure that the unit meets HQS (accommodations are given to landlords unable to do their own inspection).

Every three months, 5% of all units self-inspected by landlords receive a quality control inspection conducted by KHA. If the owner fails to maintain the dwelling unit in accordance with HQS, the Keene Housing Authority will take prompt and vigorous action to enforce the owner obligations. The Keene Housing Authority's remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.

The Keene Housing Authority will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the Keene Housing Authority and the Keene Housing Authority verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any Keene Housing Authority approved extension).

Interim inspections are conducted by KHA if requested by the participant, landlord or KHA.

During the issuance of Housing Assistance Coupons a KHA staff member provides a detailed explanation of Housing Quality Standards (HQS) utilizing the following materials:

- A Good Place to Live;
- Inspection Form for the Housing Choice Voucher Program;
- Protect Your Family from Lead in Your Home;
- KHA move-in checklist and
- Participant's responsibility for ensuring that their rental unit meets

Landlord Education and Participation

Landlords are encouraged to contact KHA with any questions they may have about the HQS. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the Keene Housing Authority may terminate assistance to a family because of the HQS breach caused by the family.

Family Education and Participation in HQS

The Housing Assistance Coupon programs (HAC) is designed to educate the residents so they are empowered to make informed decisions when searching for or living in an apartment. Due to this education, they are able to determine first hand if there are issues that need to be addressed to make sure the unit continuously meets HQS. Keene Housing Authority employees inquire about and discuss HQS during quarterly meetings and monthly contacts. Participants are also asked during the Annual Review, about HQS and staff briefly reviews the HQS. Participants are also asked to complete an inspection form demonstrating they have assessed the condition of their apartment and whether or not it meets HQS.

The family is responsible for a breach of the HQS that is caused by any of the following:

- The family fails to pay for any utilities which are the tenant's responsibility

- The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
- Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).

If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any Keene Housing Authority approved extension).

If the family has caused a breach of the HQS, the Keene Housing Authority will take prompt and vigorous action to enforce the family obligations. The Keene Housing Authority may terminate assistance for the family in accordance with 24 CFR 982.552.

## Resident Programs

The Keene Housing Authority coordinates and provides directly a number of services to enrich the quality of life and ability of residents to be self-reliant and live independently. Services have been expanded significantly over the past year providing a greater variety of workshops to an expanded population. The Keene Housing Authority plans to continue to provide the following services for families:

- Resident Self-Reliance Program
- Congregate Housing Program
- HCV Homeownership Program
- Youth Services: Building Bridges Program

In addition, KHA has applied for ROSS funding to create a Public Housing Homeownership Education program to operate in conjunction with its existing HCV Homeownership program.

## Resident Self-Reliance Program (RSR)

There are total of **163** families in the RSR program, **67** families are from the Public Housing program and **96** in the Section 8 HAC RSR program.

All families participating in the Moving to Work Step Rent or Subsidy programs are required to participate in the Resident Self-Reliance (RSR) program. An expansion of KHA's former Family Self-Sufficiency program, RSR provides service coordination and case management to help families become economically self-sufficient recognizing that self-sufficiency will vary widely based on individual participant's abilities. Every family in the program is assigned a Resident Service Coordinator (RSC) who is responsible for coaching the participant's progress toward employment, education and financial goals.

The RSR program defines competencies for self sufficiency. These competencies outline the skills necessary to achieve economic self-sufficiency. Each family's needs are identified during an initial assessment. The competencies a participant must work on are identified by the RSC and participant working together during the initial assessment. In order to be exempt from required activities, participants must demonstrate they have developed the skills associated with each competency. Competency categories include the core skill groups of financial management, employment, education and family planning in addition to the self-development groups of interpersonal skills, wellness, healthy relationships and household management. The program is uniquely tailored to the family's skills, resources and goals. Each family works to achieve competencies specific to their circumstances since the abilities and backgrounds of participants are diverse and one plan would not be suitable for all families.

There are 4 main program requirements participants must engage in to remain active in the Spectrum program and maintain their housing assistance:

- Develop a financial plan
- Participate in quarterly goal meetings
- Participate in required skill development activities
- Make reasonable progress toward ISTP goals

Develop a Financial Plan

Each participant receives extensive counseling in financial management from the moment they lease-up in the program. They are taught how to track their income and expenses, develop a financial plan, calculate their net worth, read and interpret their credit report and score and manage debt.

Quarterly Goal Meetings

Participants are required to attend 4 group meetings per year and one annual review starting their second year in the program. Group meetings are organized into two Tracks; Employment and Financial. There are three groups within each track.

The Employment track offers:

- Group A Career and Life Planning
- Group B Surviving the Job
- Group C Leadership and Advancement

The Financial Track offers:

- Group A Financial Management
- Group B Credit and Debt Management
- Group C Homeownership and Long Term Financial Planning

The agenda format for every quarterly goal meeting includes a brief presentation by the RSC on the topic at hand, group activities and problem-solving and individual time to complete and update their ISTP. Guest speakers may be included as part of the presentation component or participants who have knowledge on the subject matter should be encouraged to present. The topics for future meetings should be driven by the participants. The RSC is encouraged to get ideas for topics from the participants for the meeting next quarter. RSC are required to incorporate theories of adult education into the facilitation of the meetings to maximize the benefits for the participants.

During their first year, participants are required to meet one on one with their RSC and instead of attending quarterly goal meetings as well as attended a goal setting and financial management workshop. Participants are welcome during any year of their participation to attend more than the required workshops and meetings. They may elect to attend more than one quarterly goal meeting per quarter.

RSR Waiver

RSR participants who have achieved all of their required competencies will be able to apply for a waiver from certain RSR activities meeting with their RSC annually to review progress toward their goals. We anticipate a majority of families who qualify for this waiver will move into the Homeownership program but not all.

In order to receive the waiver, the household must present a portfolio that demonstrates how they have achieved the required competencies and the progress they have made on their goals. This process provides recognition for families for their accomplishments in the program. The skills they learn in creating and presenting the portfolio also helps them gain valuable public speaking and presentation skills valuable in the workplace.

# Homeownership

The homeownership program of the Keene Housing Authority, known as the Heading for Home Program (H4H) offer eligible participants in the HAC or HCV programs the option of buying a home with mortgage payment assistance. In 2006, 4 households became participants in the H4H program and purchased houses.

The Keene Housing Authority was awarded the ROSS Homeownership Supportive Services Grant in April of 2006 to provide homeownership education and activities for public housing residents. The program combines financial management education, credit counseling and homeownership seminars in cooperation with Cheshire Housing Trust's Homeownership programs. The grant also established small Individual Savings Accounts for participants who meet certain eligibility criteria. This assistance combined with IDA accounts and the HCV assistance will hopefully help more participants move into homeownership in 2007. The median price for a home $250,000 and up is still far above the median incomes so achieving homeownership even with these resources continues to be a significant challenge.

# Building Bridges Youth Prevention Program

The BUILDING BRIDGES program uses several strategies to influence youth development, family and community to prevent juvenile delinquency. There are currently 44 youth enrolled in the program. The program is offered to all family residents living in public housing operated by the Keene Housing Authority at both Forest View and North Street housing communities. There is a Family Activity Center at each community from which the program operates. The center has been the hub of the community, attracting and encouraging positive interaction with all youth, adults and staff. Program components include:

- Case management services for youth and their families
- Daily after-school and summer program for youth ages 5 through 10 (open to all youth up to age 18)
- Life skill workshops for teens and adults
- Community events and improvement projects

### Case Management

All families that move to either Forest View or North Street are automatically referred to the Building Bridges Youth Services programs by Keene Housing Authority staff. The Building Bridges program is integrated with the Resident Self-Reliance program for adults so all members of the family are served. After a family has signed the lease they are required to participate in the RSR assessment that identifies the family's assets and risk factors associated with the following categories:

- Employment
- Financial management
- Parenting and Family Planning
- Education
- Wellness
- Household management
- Interpersonal skills

The family then creates a plan to develop their skills to achieve competency in each of these areas for a five year period. The plans outline specific steps they must take within a given quarter to make progress in achieving the competencies. The plan includes required skill development activities they must complete in order to achieve a competency. Adults participate in group quarterly goal meetings to discuss and problem-solve ways to overcome obstacles in meeting their goals. Participants benefit not only from the facilitation and knowledge of the Resident Service Coordinator but they also benefit from their peers. Participants are likely to listen to others who are experiencing similar situations, offer advice and support and gain self-confidence when they have the opportunity to share an idea, offer advice or help someone problem solve and find themselves in an 'expert' role.

Youth participate in a similar process. They are interviewed by staff and a youth development plan is formulated with their parent's that lists activities the parents, youth and children can do to support the plan. The assessment reviews risk and protective factors and a plan is created to reduce high risk factors associated with the individual youth and increase their protective factors. Progress on the plan is reviewed and revised quarterly with youth, parents and staff.

**Daily After-School Program**
Homework Lab runs daily for 1 ½ hours providing youth with tutoring assistance and academic enrichment programs. As a result, there has been an overall improvement in the grades of youth attending the program in the past three years. Keene Housing Authority Youth Service Coordinators have developed strong partnerships with the local school including Franklin, Fuller and Keene Middle School. Staff attends lunches with students at school and as needed meetings with teachers and guidance counselors. Schools provide copies of youth report cards and share weekly homework assignments with staff. Teachers have visited the sites to tutor individual students and provide staff with tools to assist youth with their academics.

Daily activities reflect current risks and needs of the youth in the program. The program's main focus is to serve youth ages 5 through 10 but youth up to age 18 may participate. Many teens are able to participate as volunteers, in the program. Middle school age youth are referred to the local MANY Options program by staff; all fees are paid by Keene Housing Authority.

**Life Skills Workshops** - Workshops are offered for all teens and adults in all of the competency areas. They are offered throughout the year and include GED classes, computer training, employment retention, household management, financial management and parenting.
Parenting workshops are required for parents with high family risk factors such as inconsistent rules at home, abuse, or violence. Workshops offered encourage parent teacher conferences and builds the ability of parents to communicate effectively with schools on behalf of their children. Teachers and KHA staff facilitate the workshop at the Family Activity Centers.

**Community Coordination, Events, and Education**
*BUILDING BRIDGES Youth Services Program* seeks to build community connections by offering events that encourage positive interactions and build a sense of ownership and responsibility. Youth coordinate community service events focusing on their neighborhood such as community beautification projects, cooking and delivering meals for families, participating in Kick Butts Day or hosting games for nearby elderly residents. All adult and youth residents have the opportunity to participate on the Residents Council and plan events with the support of staff such as the annual Easter egg hunt. The Family Activity Center hosts family events and meals at the activity center are cooked and prepared by youth and parent volunteers.

## Congregate Housing Services Program at Bennett Block and Harper Acres

The Congregate Housing Services Program is a non-medical supportive program often described as the first step away from fully independent living. The CHSP offers services that enable residents to live in an independent setting avoiding premature admission to a nursing home or assisted living facility. In the past year turnovers have been active at Harper Acres, the majority being transfers to a higher skilled facilities; the Bennett Block population group was more stable. Apartment vacancies are filled quickly. Interest in the CHSP program is very good At times the wait for a

CHSP unit vacancy can be lengthy. Currently twenty-five people are being served at Harper Acres and five people are on the waitlist; at Bennett Block thirteen people are being served and two are on the waitlist.

Services of the CHSP include a noon meal seven days a week served in a social setting, assistance with homemaking services and limited range of personal care. Assistance with area transportation services is available and at Harper Acres transportation to the meal site located in a separate building is available. A service coordinator oversees the CHSP individualized care plans are developed and reviewed to ensure that services meet the needs of the resident. Social opportunities occur on a regular basis KHA's after-school program visits occasionally offering a lot of fun activity and socialization to the residents. Educational events for health topics and services as well as social and entertainment activities are offered. Interaction between residents and the Keene State College nutrition students has been a long standing source of educational and social activities. A newer program the Age-in-Motion exercise group sponsored by the local YMCA is also very popular.

Program admissions are the responsibility of a Professional Assessment Committee, the PAC meets monthly to review needs assessment of new applicants. Needs assessment are completed by the CHSP Coordinator and documentation by the applicant's physician is required. In addition to admissions PAC members offer consultation on situations with residents and members are available to the CHSP Coordinator between meetings as needed. The current PAC group has been together for several years and consists of two registered nurses and two social workers.

Homemaking and personal care services are contracted through HCS a fully accredited home health care agency; the CHSP pays $17 an hour for homemaking services and $20 for personal care services. Food service is also provided through HCS at $6.25 per meal. Residents are very satisfied with the home-like menus, fresh foods and variety. The food is prepared at a central site in Keene transported in bulk to the meal site and served home style. HCS provides staff training, supervision and backup coverage as needed. Program funding is provided by HUD and NH Health and Human Services sources.

## Family Planning Collaborative

KHA and other social service and health care providers recognized that unintended pregnancies (which result in about half of the births in the United States) are a major threat to the health and financial well being of children and families. They are also responsible for enormous social service and health costs. These agencies formed the FPC to coordinate their education and case management efforts.
With limited funding, the FPC:

- Keeps records of pregnancy intentions and other characteristics of women giving birth at Cheshire Medical Center (CMC)
- Provides education and support to social service providers to help them discuss family planning and birth control. Also provides educational materials
- Coordinates efforts with Dartmouth Hitchcock and Planned Parenthood to provide birth control education.
- Provides free condoms in some social service restrooms.
- Provides birth control education at Keene's transitional housing programs and other sites.

## Dental Health Works

Dental Health Works is a collaborative of several local non-profit agencies working together trying to meet the need for affordable dental care for families. Most families with extremely low to low incomes do not have dental insurance. This program allows a certain percentage of KHA residents to receive free dental services. The dental practice also offers a sliding fee scale so residents who are not able to receive free services may receive a reduced rate based on their income.

**Capital Fund Program Tables**

**Annual Statement Performance and Evaluation Report**
**Capital Fund Program (CFP) and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1 Summary**

| **PHA Name** | **Grant Type & Number** | **Federal FY of Grant:** |
|---|---|---|
| Keene Housing Authority | Capital Fund Program Grant No: NH36-P01050107<br>Replacement Housing Factor Grant No: | 2007 |

( X ) Original Annual Statement ( ) Reserve for Disasters/Emergencies ( ) Revised Annual Statement
( ) Performance and Evaluation Report for Period Ending: ( ) Final Performance & Evaluation Report

| Line No | Summary by Development Account | | Total Estimated Cost | | Total Actual Cost | |
|---|---|---|---|---|---|---|
| | | | Original | Revised | Obligated | Expended |
| 1 | Total Non GCP Funds | | | | | |
| 2 | 1406 | Operations | $ 70,039 | $ - | $ - | $ - |
| 3 | 1408 | Management Improvements Soft Costs | $ | $ - | $ - | $ - |
| | | Management Improvements Hard Costs | $ 10,000 | $ - | $ - | $ - |
| 4 | 1410 | Administration | $ 50,000 | $ - | $ - | $ - |
| 5 | 1411 | Audit | $ - | $ - | $ - | $ - |
| 6 | 1415 | Liquidated Damages | $ - | $ - | $ - | $ - |
| 7 | 1430 | Fees and Costs | $ - | $ - | $ - | $ - |
| 8 | 1440 | Site Acquisition | $ - | $ - | $ - | $ - |
| 9 | 1450 | Site Improvement | $ 60,000 | $ - | $ - | $ - |
| 10 | 1460 | Dwelling Structures | $ 101,000 | $ - | $ - | $ - |
| 11 | 1465.1 | Dwelling Equipment - Nonexpendable | $ - | $ - | $ - | $ - |
| 12 | 1470 | Nondwelling Structures | $ - | $ - | $ - | $ - |
| 13 | 1475 | Nondwelling Equipment | $ - | $ - | $ - | $ - |
| 14 | 1485 | Demolition | $ - | $ - | $ - | $ - |
| 15 | 1490 | Replacement Reserve | $ - | $ - | $ - | $ - |
| 16 | 1492 | Moving to Work Demonstration | $ - | $ - | $ - | $ - |
| 17 | 1495.1 | Relocation Costs | $ - | $ - | $ - | $ - |
| 18 | 1499 | Development Activities | $ - | $ - | $ - | $ - |
| | | | | | | |

**Capital Fund Program Tables**

**Annual Statement Performance and Evaluation Report**
**Capital Fund Program (CFP) and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1 Summary**

| **PHA Name** | **Grant Type & Number** | **Federal FY of Grant:** |
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( X ) Original Annual Statement ( ) Reserve for Disasters/Emergencies ( ) Revised Annual Statement
( ) Performance and Evaluation Report for Period Ending: ( ) Final Performance and Evaluation Report

| Line No | Summary by Development Account | Total Estimated Cost | | Total Actual Cost | |
|---|---|---|---|---|---|
| | | Original | Revised | Obligated | Expended |
| | | | | | |
| 19 | 1502 Contingency | | | | |
| | | | | | |
| | | | | | |
| 20 | **Amount of Annual Grant (Sum of lines 2 - 19)** | **$ 291,039** | **$ -** | **$ -** | **$ -** |
| | Amount of Line 20 Related to LBP Activities | | | | |
| | Amount of line 20 Related to Section 504 Compliance | | | | |
| | Amount of line 20 Related to Security Soft Costs | | | | |
| | Amount of line 20 Related to Security Hard Costs | | | | |
| | Amount of line 20 Related to Energy Conservation Measures | $ - | | $0 | $ - |
| | Collateralization Expenses or Debt Service | | | | |

Signature:_____ Date:_____
Deb Guyot, Assistant Director/CFO

**Annual Statement Performance and Evaluation Report**
**Capital Fund Program (CFP) and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)**
**Part II Supporting Pages**

| **PHA Name** | **Grant Type & Number** | **Federal FY of Grant:** |
|---|---|---|
| Keene Housing Authority | Capital Fund Program Grant No: NH36-P01050107<br>Replacement Housing Factor Grant No: | 2007 |

| Development Number/Name HA Wide Activities | General Description of Major Work Categories | Dev Acct No | Quantity | Total Estimated Cost | | Total Actual Cost | | Status of Work |
|---|---|---|---|---|---|---|---|---|
| | | | | Original | Revised | Obligated | Expended | |
| HA Wide | General Operations | 1406 | | $70,039 | $0 | $0 | $0 | Not Done |
| HA Wide | Computer Upgrades | 1408 | | $10,000 | $0 | $0 | $0 | Not Done |
| HA Wide | Administration | 1410 | | $50,000 | $0 | $0 | $0 | Not Done |
| NH10-1,2 | Paint/Clean Harper Acres Units | 1460 | | $15,000 | $0 | $0 | $0 | Not Done |
| NH10-1,2 | Replace Flooring- Harper Acres | 1460 | | $15,000 | $0 | $0 | $0 | Not Done |
| NH10-1,2 | Replace Harper Acres Kitchen | 1460 | | $11,000 | $0 | $0 | $0 | Not Done |
| NH10-3 | Replace Paving & Curbs- North & Gilsum | 1450 | | $40,000 | $0 | $0 | $0 | Not Done |
| NH10-3 | Repair/Replace Outdoor Lighting | 1450 | | $20,000 | $0 | $0 | $0 | Not Done |
| NH10-3 | Paint/Clean- North & Gilsum, Harmony Lane | 1460 | | $15,000 | $0 | $0 | $0 | Not Done |
| NH10-3 | Replace Flooring- North & Gilsum & Harmony Lane | 1460 | | $25,000 | $0 | $0 | $0 | Not Done |
| NH10-5,6 | Paint/Clean- Scattered Sites | 1460 | | $3,000 | $0 | $0 | $0 | Not Done |
| NH10-5,6 | Replace Flooring- Scattered Sites | 1460 | | $2,000 | $0 | $0 | $0 | Not Done |
| NH10-9,10 | Replace Flooring- Bennett Block | 1460 | | $15,000 | $0 | $0 | $0 | Not Done |
| | **Totals** | | | **$ 291,039** | **$ -** | **$ -** | **$0** | |

**Annual Statement Performance and Evaluation Report**
**Capital Fund Program (CFP) and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)**
**Part III Implementation Schedule**

| **PHA Name** Keene Housing Authority | | | | **Grant Type & Number** Capital Fund Program Grant No: NH36-P01050107 Replacement Housing Factor Grant No: | | | **Federal FY of Grant:** 2007 |
|---|---|---|---|---|---|---|---|
| Development Number/Name HA Wide Activities | All Fund Obligated (Quarter Ending Date) | | | All Funds Expended (Quarter Ending Date) | | | Reasons for Revised Target Dates |
| | Original | Revised | Actual | Original | Revised | Actual | |
| NH10-3 North & Gilsum Harmony Lane | 12/31/2007 | | | 12/31/2007 | | | |
| NH10-5,6 Scattered Sites | 12/31/2007 | | | 12/31/2007 | | | |
| NH10-1,2 Harper Acres | 12/31/2007 | | | 12/31/2007 | | | |
| NH10-9,10 Bennett Block Farmstead Commons Spruce & Damon | 12/31/2007 | | | 12/31/2007 | | | |
| HA Wide | 12/31/2007 | | | 12/31/2007 | | | |

KHA serves:
Families and Children
Seniors
Persons with Disabilities

P. Curtis Hiebert
Chief Executive Officer

# Keene Housing Authority

***Providing affordable housing in the Monadnock Region.***

105 Castle Street, Keene, NH 03431
Phone & TDD: (603) 352-6161
Fax: (603) 352-6845
www.kha.org

## MOVING TO WORK PUBLIC HEARING
## KEENE HOUSING AUTHORITY 2006 PLAN

A public hearing for the Keene Housing Authority 2007 Moving to Work Plan was duly advertised, residents and program participants notified and held on Friday, September 29, 2006.

The meeting was held in the conference room of the KHA offices at 831 Castle Street at 2:00 P.M. Present were Keene Housing Authority staff, CEO P. Curtis Hiebert.

The Plan was available for public access during the 45 day period prior to the meeting, and was presented, along with anticipated changes during the hearing session.

There were no members of the public present, and no written, email, or phone comments were received.

The session was kept open for 1 hour until 3:00 P.M, and then closed. The KHA will, however, always consider public input and comments no matter when they are received.

Certified:

P. Curtis Hiebert
CEO
10/04/2006

EQUAL HOUSING OPPORTUNITY

The KHA serves:
Families and Children
Seniors
Persons with Disabilities

P. Curtis Hiebert
Executive Director

# Keene Housing Authority

*Providing affordable housing in the Monadnock Region.*

831 Court Street Keene, NH 03431
Phone & TDD: (603) 352-6161
Fax: (603) 352-6845

**FAX TO:** Keene Sentinel - Classified
352 9733

**FROM:** Julie Davenson, Programs and Services Manager
(Extension 302)

September 5, 2006

Please run the following Public Notice on Friday, September 8 and Saturday September 9, 2006
If you have any questions, please feel free to call me. Thank you.

**PUBLIC NOTICE**

The Keene Housing Authority is developing its Agency Plan in compliance with the Quality Housing and Work Responsibility Act of 1998. A draft is available for review at the Authority's Office located at 831 Court Street, Keene, NH. The completed plan and supporting documentation will be made available for review as of September 22th . The Authority's hours of operation are 8:30 a.m. to 4:30 p.m. In addition, a public hearing on September 29, 2006 at the Authority's office at 2:00 pm. Everyone is invited to attend and provide comment.

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Seniors
Persons with Disabilities

P. Curtis Hiebert
Chief Executive Officer

# Keene Housing Authority

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## Resolution 387

## Keene Housing Authority (the "PHA")
## Moving To Work (MTW) Demonstration Program
## Certifications for FY 2007 MTW Annual Plan

1. The PHA held a public hearing regarding the Plan on September 29, 2006.
2. The PHA Board of Commissioners approved a resolution adopting the MTW Plan on October 4, 2006.
3. The PHA 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, Title II of the Americans with Disabilities Act of 1990, and all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing.
4. The PHA shall continue to comply with Section 18 of the 1937 Act (42 U.S.C. 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b) (1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, notwithstanding any use of the housing under MTW.
5. The PHA shall continue to comply with Section 12 of the 1937 Act (42 U.S.C. 1437j), governing wage rates.
6. The PHA shall continue to comply with the requirements of Section 16(a)(3) of the 1937 Act (as amended), and as required by the 1996 Appropriations Act, the PHA agrees that at least seventy-five percent (75%) of the families assisted by the PHA under the MTW demonstration program will be very low-income families as defined in the 1937 Act.
7. The PHA agrees to continue to assist substantially the same total number of eligible low-income families under MTW, and to maintain a comparable mix of families by family size, as would have been served or assisted if HUD funding sources had not been used under the MTW demonstration.

EQUAL HOUSING OPPORTUNITY

8. The PHA agrees that housing assisted under MTW will meet housing quality standards established or approved by HUD.

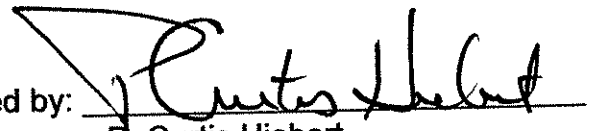
9. The PHA agrees that it will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the MTW Agreement.

10. If applicable to activities under the PHA's MTW Agreement, the PHA agrees to provide HUD with any documentation that HUD needs to carry out its review under the National Environmental Policy Act (NEPA) and other related authorities and otherwise will assist HUD in complying with 24 CFR Part 50 environmental review procedures. The PHA further agrees to comply with related provisions of Article I, Section J of the MTW Agreement.

11. In relation to rent policies, the PHA certifies that:
    - The PHA Board approves of this policy and has approved the required analysis of the impact of such policies specified in Article I, Section I of the MTW Agreement and
    - The PHA is in compliance with all provisions of that section.

12. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

13. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and the MTW Agreement executed by the PHA and HUD and will utilize funds made available under the Capital Fund, Operating Fund and Section 8 tenant-based assistance only for activities that are allowable under applicable regulations as modified by the PHA's MTW Agreement and included in its Plan.

Certified by:  Date: October 4, 2006

P. Curtis Hiebert
CEO/Executive Director

# Keene Housing Authority
# Proposed Policies Changes
# 2007

## Moving to Work Policy Changes and Revisions for the ACOP and Section 8 Administrative Plan

## Policy Changes

### 6-III.D. SAFETY NET

If a participant becomes temporarily disabled and is in the RSR program, verification is sent to determine the length of the disability. The participant will remain in the RSR program while disabled; however, the Safety Net subsidy will be income-based for the length of disability and will not be paid back or worked off. Prior to the end of the disability time-frame, Keene Housing Authority staff will re-verify the disability if the tenant is requesting we continue their participation in Safety Net. Once the disability status has been verified to end, the subsidy will return to the appropriate step level subsidy. The five-year timeframe of the RSR program is not halted during Safety Net regardless of cause and time length.

## Revisions

### 6-II.A. INTRODUCTION

**Standard Deduction for Elderly and Disabled Households: Moving to Work Waiver**

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority will provide a standard deduction of $1500 for all elderly and disabled households. This deduction includes any qualifying medical, disability assistance expenses, child care expenses and the elderly household deduction of $400. It does not include the $480 deduction per household dependent. Households with qualifying dependents would receive an additional deduction of $480 per qualifying dependent in the household in addition to the standard deduction of $1500. 3% of gross income will be deducted from the $1100 medical portion of the standard deduction. Households that would experience a rent burden higher than 30% of their adjusted income would be eligible to receive a deduction based on their verified and actual qualifying expenses plus the $400 elderly/disabled household deduction.

### 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Once a caretaker is determined to be a household member, the KEENE HOUSING AUTHORITY may assist the family at the caretaker's initial unit if it is a rental unit and it meets KHA requirements.

**10.I.C.**
**SUPPLYING REQUIRED INFORMATION**

The following policy applies to families whose subsidy is calculated using the income based method, it does not apply to HCV's issued to KHA owned and managed properties. Families are not required to report increases in income until their next annual reexamination. Families may request interims be conducted for decreases in income of over $50 a month. If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the change will be noted in the tenant file but an interim reexamination will not be conducted.

## Deletions

**5-I.B. DETERMINING UNIT SIZE**

The KEENE HOUSING AUTHORITY will assign one bedroom for each two persons within the household.

The KEENE HOUSING AUTHORITY allows for separate bedrooms in the following circumstances:

Persons of the opposite sex will not be required to share a bedroom. **(Removed clause stating "other than spouses, and children under the age of 5)**

Persons of different generations will not be required to share a bedroom.

Live-in aides will be allocated to a separate bedroom a separate bedroom. No additional bedrooms will be provided for the live-in aides.

Unborn children and foster children will be included in determining bedroom size.

# Moving to Work Section 8 Administrative Plan

## Policy Changes

**4-III.C. Preferences**

**KHA Owned and Managed Properties Special Admission**

Applicants who are offered and accept housing assistance for KHA owned or managed property will receive a preference for admission. It will be at the discretion of the Keene Housing Authority to determine whether or not the assistance issued will be in the form of a Housing Choice Voucher or Housing Assistance Coupon.

Order of Selection

KEENE HOUSING AUTHORITY Policy

Applicants will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

Preferences will be ranked in the following order with the first preference receiving the highest priority:

1. Natural Disaster/Governmental Displacement
2. KHA owned and managed properties
3. KHA Tenants for Homeownership Voucher Admission
4. Section 8 SPECTRUM Special Admission for Public Housing residents
5. **Continuum of Care Special Admission (HUD funded programs)**
6. **The Female Offender Reentry And Community Connections Program Graduates**

When selecting applicants from the waiting list the KHA will offer assistance to the highest ranking applicant.

It is possible that families who are lower on the waiting list may receive an offer of housing assistance ahead of families with an earlier date and time of application or lower preference status.

Factors such as income targeting will also be considered in accordance with HUD requirements and KHA policy.

**Chapter 9**
**INTRODUCTION**

**Keene Housing Authority will do all initial inspections for all units. The owner/landlord may request that KHA conduct the annual inspection; however, landlords will be encouraged to do their own annual inspections**. The owner/landlord may change designation at any time. No unit will be initially placed on the Housing Assistance Coupon Program unless the HQS is met.

**Annual Inspections must be completed by KHA or landlord within 30 days of the annual date of the last inspection.**

The KHA must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. **Photographs will be taken during inspections conducted by the Keene Housing Authority if and when it is deemed necessary to document an existing condition that would constitute a housing quality standard deficiency. Refusal by a tenant or property owner to allow photographs to be taken of (a) deficient condition(s) shall constitute an automatic inspection failure.**

The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make prior arrangements to enable the Keene Housing Authority to enter the unit and complete the inspection.

**9.I.A. TYPES OF INSPECTIONS**
Initial inspections: Keene Housing Authority will conduct all initial inspections for all units.

**12.I.A. WHEN A FAMILY MAY MOVE**

The owner has given the tenant written permission to break the lease (must be for good cause).

**12-III.A. GENERAL PORTABILITY POLICIES OF THE KHA**
**Spectrum Moving to Work participants** may only move outside of KHA's jurisdictions for good cause, including, but not limited to:

- Documented career or educational opportunity, which will enhance the family's attaining goals of self-sufficiency.

- Documented family long-term illness that requires the family to relocate for an existing family member or to care for another family member.

- Other documented good cause.

The KHA must approve **all requests for Mainstream** participants who choose to move outside the jurisdiction. **If a Spectrum MTW participant request** is approved, the HAC will be terminated and a Section 8 Housing Choice Voucher will be issued. The participant will then fall under the jurisdiction of the KHA Administrative Plan for the Section 8 Housing Choice Voucher Program.

## Revisions

**3-I.L. ABSENT FAMILY MEMBERS**

Keene Housing Authority Policy
Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must **provide written notification to** KHA for absences exceeding 30 days. **The written notification must include expected dates of absence, reason for absence, and contact information while absent.** An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program. P.24

Keene Housing Authority Policy
The family must request Keene Housing Authority approval for the return of any adult family members that the Keene Housing Authority has determined to be permanently absent. **If absent for 6 months or more, the** individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter. P.25

**Absence from unit**

**Absence means that no member of the family is residing in the unit.** The family may be absent from the unit for up to 30 days. The family must **inform Keene Housing Authority of its absence in writing including projected dates of absence, reason for absence, and contact information for the family while absent from unit.** Permission from the KHA is needed for absences **exceeding 3 months**. In the case of permission being needed, the KHA will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days **without in forming Keene Housing Authority** will be terminated from the program.

### 5-I.B. Determining Unit Size

The KEENE HOUSING AUTHORITY will reference the following standards in determining the appropriate unit bedroom size for a family. **Living rooms may be counted as bedroom if the physical structure of the room is separated from other living spaces in the apartment. Refer to section on utility allowances to determine utility allowance.**

## 6-III.C. STEP SUBSIDY CALCULATIONS

**Effective 10-01-06**

| Bedroom Size | Step 1 | Step 2 | Step 3 |
|---|---|---|---|
| One | VPS-20% of GMI | $400 | $250 |
| Two | VPS-20% of GMI | $500 | $320 |
| Three+ | VPS-20% of GMI | $600 | $380 |

The HAC Step Subsidies are designed to gradually reduce the amount of housing assistance. Under the KHA's SPECTRUM Housing Assistance Coupon program, subsidies are calculated using the step subsidy level method for families required to participate in the Resident Self-Reliance program.

**1st Step Level Subsidy**

During a family's first year in the HAC Step Subsidy program The Step 1 subsidy is calculated by using the greater of the following formulas:

- Subtracting 20% of the household's gross income from the Voucher Payment Standard for the appropriate bedroom size, or
- Welfare Rent (if eligible), or
- Minimum Rent of $50, whichever is greater, but not to be less than the Step 3 subsidy amount.

Families who are experiencing a hardship may apply for Safety Net assistance providing they meet all of the qualifications as defined in the section on Safety Net in this chapter.

**2nd Step Subsidy**
The Step 2 subsidy is calculated using 55% of the Voucher Payment Standard (VPS) for the bedroom size rounded to the nearest ten dollars. A family's assistance will be reduced to the 2nd Step Subsidy at the start of their second year in the program. The amounts are adjusted on an annual basis to reflect changes in the VPS.

**3rd Step Subsidy**
The Step 3 subsidy is calculated using 35% of the VPS for the bedroom size rounded to the nearest ten dollars. A family's assistance will be reduced to the 3rd step subsidy at the start of their 4th year in the program. The amounts are adjusted on an annual basis to reflect changes in the VPS.

Households entering the program with subsidy levels calculated to be greater than the Step 3 subsidy but less than the Step 2 subsidy will receive the Step 2 subsidy for three years until the start of their fourth year during which their assistance will be reduced to the 3rd step subsidy. Those families entering the program with subsidy levels calculated to be less than the Step 3 subsidy amount, the families will receive the Step 3 subsidy for five year.

The payment standard that will be used when applicants enter the program will be the lower of:

- The payment standard for the family unit size; or
- The payment standard for the unit size rented by the family (if smaller size) or
- The gross rent

## 14-I.A. FINAL HAC PAYMENT

The HAC payment stops when the **termination goes into effect**. If the owner has begun eviction proceedings and the family continues to occupy the unit, the Housing Authority will provide assistance to the owner until the owner obtains a judgment or the family moves out, provided the owner provides KHA with copies of all eviction documentation within three days of filing or service.

If a family moves without notice and has not paid the rent for the month in which the family moves out, KHA will pay the owner/landlord **the full contract rent amount (up to the VPS) for** that month.

## 14-I.A. OWED RENT AND DAMAGES PROTECTION

Reimbursement from the Landlord Owed Rent and Damages Protection Fund only applies if the landlord has done the following:

- Informed Keene Housing in advance of evidence of damages prior to assistance being terminated. Inspection by landlord shall be suggested.
- Informed Keene Housing of past due rent within 15 days of not being paid.

- Taken all legal steps to obtain the cost of damages from the participant and have provided Keene Housing Authority with evidence of such legal action being taken.

Reimbursement will be no more than two months of full contract rent (not to exceed the VPS). The CEO or the Assistant Director must approve all requests for payment under the Owed Rent and Damages Protection Fund.

## Deletions

**If the applicant requests portability at initial issuance, the applicant, at time of application, must have been a resident of the KHA jurisdiction to be eligible for portability.**

## Heading for Home Administrative Plan

### Policy Changes

**2. PARTICIPANT ELIGIBILITY REQUIREMENTS**

All Heading for Home (H4H) applicants must complete an application and meet qualifications to be added to the Section 8 waiting list whether they are currently assisted by the Keene Housing Authority or not. Applicants on the Section 8 waiting list reference a preference for Homeownership. Refer to the Moving to Work Section 8 Administrative Plan for details on preferences and ranking.

Participants receiving housing assistance through the Section 8 program or any of KHA owned and managed properties must fulfill their initial lease term with the KHA or their landlord and meet all initial eligibility requirements before a H4H voucher will be issued. The KHA will not hold their placement on the waiting list if they have not fulfilled these requirements at time of issuance. If their name is next on the waiting list they will not be offered a H4H voucher and their name will be removed from the Section 8 waiting list. They will need to reapply with a new date and time of application; however, they will still qualify for the H4H preference when they reapply.

Applicants applying for H4H assistance not currently assisted through the KHA's Section 8 program or living in one of KHA's owned or managed properties must apply through the Section 8 waiting list and will received the preference for Homeownership. The applicant must fulfill initial eligibility requirements before they are issued a voucher. Failure to do so will result in their application being removed from the waiting list.

**A. Homeownership Counseling Program**

**Prior to receiving H4H assistance, families must successfully complete a homeownership counseling program provided or approved by KHA within 24 months of closing on a home.** The program will cover home maintenance, money management and budgeting, credit counseling, purchasing negotiations, securing financing, predatory lending, finding a home, fair housing and the advantages of purchasing in areas with a low concentration of low-income families. The counseling agency and program will be HUD approved or consistent with HUD's housing counseling program. **Public Housing residents must participate in the Homeownership Education program and financial counseling before they will be issued a H4H voucher.**

4. DOWNPAYMENT ASSISTANCE

Downpayment assistance is available through a variety of resources in New Hampshire. In all cases, KHA requires a minimum down payment of at least three percent with one percent coming from the family's own resources. **(Removed: Subject to the availability of funds, KHA may contribute up to $2000.)**

5. AMOUNT OF ASSISTANCE

A. Flat Rate Assistance

A family **that has participated in the Resident Self-Reliance Program** may receive flat rate assistance if it is determined that the family would receive zero (0) assistance, but meets all other eligibility criteria at the date of homeownership application. The flat rate is 50% of the applicable third step in the Spectrum HAC Program. The flat rate assistance will continue until the family's annual recertification determines that the family's gross income exceeds 140% of the area median income for the family's size. A family receiving flat rate assistance cannot change to income based assistance.

B. Determining the Payment Standard

The VPS used is the fixed amount that KHA annually establishes as the fair market rent for a unit of a particular size located within the KHA jurisdiction. In the H4H program, the payment standard will be the lower of either the VPS for which the family is eligible based on family size, or the VPS which applies to the bedroom size of the purchased unit. The payment standard for subsequent years will be the higher of the VPS at commencement of H4H participation, or the VPS in effect at the most recent regular reexamination of the family's income and size. For purposes of this comparison, the initial payment standard will not be **decreased** even if there is a subsequent decrease in family size. Where warranted as a reasonable accommodation for a family with a disabled member, KHA will request a higher payment standard, up to 120% of the published FMR.

C. Monthly Homeownership Expenses

Monthly homeownership expenses include:

Principal and interest on the initial mortgage
Mortgage insurance premium incurred to finance the purchase and any refinancing of such debt
Real estate taxes and public assessments
Homeowners' insurance
Costs of major repairs and replacements per KHA allowance (replacement reserves)
Utility allowance per KHA's standard schedule
Principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements including accessibility changes **($25 a month)**
In addition to the above, KHA may approve amounts for cooperative charges under the cooperative occupancy agreement where applicable.

## 6. TERMINATION OF H4H ASSISTANCE

Occupancy of Home

H4H assistance will be provided only while the family resides in the home. KHA will not continue assistance **for the mortgage** commencing the month after the family moves out. Neither the family nor the lender is obligated to reimburse KHA for assistance paid for the month the family moves out.

# ADMISSIONS AND CONTINUED OCCUPANCY POLICY

## FOR THE

## KEENE HOUSING AUTHORITY'S MOVING TO WORK SPECTRUM PROGRAM

January 1, 2007

| Revision Date | |
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Approved by the PHA Board of Commissioners: 10/6/2006

Submitted to HUD: October 31, 2006

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## Chapter 1

## OVERVIEW OF THE PROGRAM AND PLAN

### INTRODUCTION

The Keene Housing Authority receives its operating subsidy for the public housing program from the Department of Housing and Urban Development. The KEENE HOUSING AUTHORITY is not a federal department or agency. A public housing agency (KEENE HOUSING AUTHORITY) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The KEENE HOUSING AUTHORITY enters into an Annual Contributions Contract with HUD to administer the public housing program. The KEENE HOUSING AUTHORITY must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the KEENE HOUSING AUTHORITY and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (KEENE HOUSING AUTHORITY). This part includes a description of the KEENE HOUSING AUTHORITY, its jurisdiction, its programs, and its mission and intent.

Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.

Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

## PART I: THE KEENE HOUSING AUTHORITY

### 1-I.A. OVERVIEW

This part describes the KEENE HOUSING AUTHORITY's creation and authorization, the general structure of the organization, and the relationship between the KEENE HOUSING AUTHORITY Board and staff.

## 1-I.B. ORGANIZATION AND STRUCTURE OF THE KEENE HOUSING AUTHORITY

Public housing is funded by the federal government and administered by the **KEENE HOUSING AUTHORITY** for the jurisdiction of Keene and parts of **Cheshire County.**

The KEENE HOUSING AUTHORITY is governed by a board of officials that are generally called "commissioners." Although some PHA's may use a different title for their officials, this document will hitherto refer to the "board of commissioners" or the "board" when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the KEENE HOUSING AUTHORITY conducts business, and ensures that those policies are followed by KEENE HOUSING AUTHORITY staff. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability and success.

Formal actions of the KEENE HOUSING AUTHORITY are taken through written resolutions, adopted by the board and entered into the official records of the KEENE HOUSING AUTHORITY.

The principal staff member of the KEENE HOUSING AUTHORITY is the Chief Executive officer (CEO), who is selected and hired by the board. The CEO oversees the day to day operations of the KEENE HOUSING AUTHORITY and is directly responsible for carrying out the policies established by the commissioners. The CEO's duties include hiring, training, and supervising the KEENE HOUSING AUTHORITY's staff, as well as budgeting and financial planning for the agency. Additionally, the CEO is charged with ensuring compliance with federal and state laws, and program mandates.

## 1-I.C. KEENE HOUSING AUTHORITY MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides the basis for strategy development, identification of critical success factors, resource allocation decisions, as well as ensuring client and stakeholder satisfaction.

The mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and/or advocate for:

- Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low and moderate income within the Monadnock Region;

And; to provide and/or advocate for

- Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.

## 1-I.D. THE KEENE HOUSING AUTHORITY'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the KEENE HOUSING AUTHORITY is committed to providing excellent service to all public housing applicants, residents, and the public. In order to provide superior service, the KEENE HOUSING AUTHORITY resolves to:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair – in compliance with program uniform physical condition standards – for very low- and low-income families.
- Achieve a healthy mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low- and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the public housing program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the KEENE HOUSING AUTHORITY's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the KEENE HOUSING AUTHORITY's support systems and commitment to our employees and their development.

The KEENE HOUSING AUTHORITY will make every effort to keep residents informed of program rules and regulations, and to advise participants of how the program rules affect them.

## 1-II.E. KEENE HOUSING AUTHORITY HISTORY

The intent of this section is to provide the public and staff an overview of the history and operation of public housing.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives, known as public housing. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the public housing program for the first time. Until that time, public housing was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the public housing program and provide residents with greater choices. It also allowed KEENE HOUSING AUTHORITYs more remedies to replace or revitalize severely distressed public housing developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for KEENE HOUSING AUTHORITYs to develop five-year and annual plans; income targeting, a requirement that 40% of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families; and resident self-sufficiency incentives.

**Establishment**

The Keene Housing Authority was created by resolution of the City Council for the city of Keene July 15, 1965 in accordance with Section 4 of Chapter 203, New Hampshire Revised Statutes Annotated. The stated mission of the authority was filling the need for "safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene". Pursuant to this resolution the Mayor of Keene, in accordance with NHRSA 203:5, appointed five persons as Commissioners of the KHA, and these appointments have been made regularly in accordance with the law, through and including the present time. The Authority, as a duly created municipal agency of the city, derives extensive powers from RSA 203.8. Among these powers is the authority to:

- Acquire, lease, manage, maintain or operate housing projects
- Provide for the construction, reconstruction, improvement, and extension of housing projects or any part thereof.
- Lease or rent any dwellings, houses, land, or buildings in any housing project.
- Establish and revise the rents and other charges for use of the property.
- Own, hold, and improve real or personal property.
- Purchase, lease, obtain options upon, and acquire by gift any real or personal property.
- Sell, lease exchange, transfer or dispose of any real or personal property.

**Governance/Administration:** The Authority is governed by a five person Board of Commissioners appointed by the Mayor of the city of Keene. A list of the Board of Commissioners is attached. The Board is responsible for the hiring and supervision of the Executive Director, who is responsible for the day-to-day operation of the agency. The authority has a staff of 40.

**Housing Management**

At present the Keene Housing Authority owns or manages and maintains 510 units of elderly, disabled, and family housing. These include 226 public housing units of which 112 units are elderly/disabled and the remaining 114 are family units. The KHA owns a 30 unit family complex in Winchester, an 18-unit section 8 complex in Keene, and 9 Heading for Home properties in Keene. The KHA also is contracted to manage a 90-unit elderly/disabled complex, and a 24-unit family complex in Swanzey, as well as 113 units of family housing and special needs housing. Additionally the KHA administers about 400 section 8 housing assistance coupons including 50 mainstream vouchers.

**Moving To Work**

In 1997 the KHA was selected as one of approximately 20 housing authorities nationwide to be part of a "Moving To Work" demonstration program. Participation in the program is required for all public housing and Section 8 residents receiving Housing Assistance Coupons. Elderly or disabled persons may choose to participate. Under the Moving To Work program, rents and subsidies are calculated according to a graduated step program. As part of the Moving To Work program, the Resident Self Reliance Program assists residents in attaining self-sufficiency by providing connections to community resources and offering support in areas such as employment, education, homeownership, finances, and family and personal goals.

## PART II: THE PUBLIC HOUSING PROGRAM

### 1-II.A. PUBLIC HOUSING PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the KEENE HOUSING AUTHORITY to administer programs in accordance with HUD regulations and provides an operating subsidy to the KEENE HOUSING AUTHORITY. The KEENE HOUSING AUTHORITY must create written policies that are consistent with HUD regulations. Among these policies is the KEENE HOUSING AUTHORITY's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the board of commissioners of the KEENE HOUSING AUTHORITY. The Keene Housing Authority's Moving to Work Agreement outlines the waivers the Keene Housing Authority has received from HUD regulations and the general rules governing the Spectrum Moving to Work program.

The job of the KEENE HOUSING AUTHORITY pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The KEENE HOUSING AUTHORITY screens applicants for public housing and, if they are found eligible and accepted, the KEENE HOUSING AUTHORITY offers the applicant a unit. If the applicant accepts the offer, the KEENE HOUSING AUTHORITY will enter into a contract with the applicant known as the lease. At this point, the applicant becomes a tenant of the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the KEENE HOUSING AUTHORITY as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as "residents." The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context.

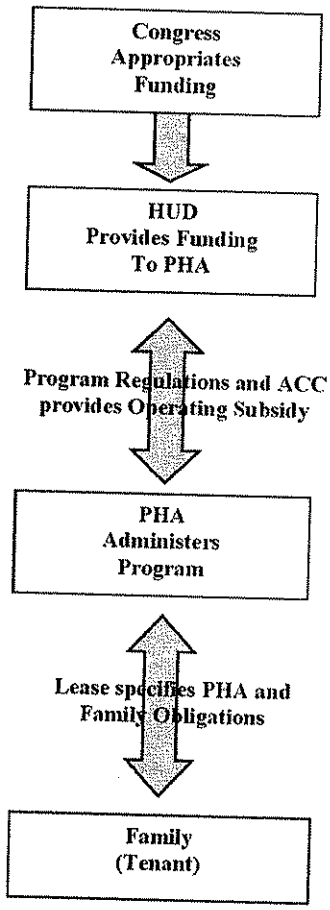
Since the KEENE HOUSING AUTHORITY owns the public housing development, the KEENE HOUSING AUTHORITY is the landlord. The KEENE HOUSING AUTHORITY must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with HUD regulations and KEENE HOUSING AUTHORITY policy.

### 1-II.B. PUBLIC HOUSING PARTNERSHIPS

Relationships between the important parties are defined by federal regulations and by contract. To administer the public housing program, the KEENE HOUSING AUTHORITY enters into a contractual relationship with HUD through the ACC. The KEENE HOUSING AUTHORITY also enters into a contractual relationship with the tenant through the public housing lease. These contracts outline the roles and responsibilities of each party.

Federal regulations further identify the important roles of the parties involved. For the program to work and be successful, all parties involved – HUD, the KEENE HOUSING AUTHORITY, and the tenant – must play their important parts.

The chart on the following page illustrates key aspects of these relationships.


Congress
Appropriates
Funding
HUD
Provides Funding
To PHA
Program Regulations and ACC
provides Operating Subsidy
PHA
Administers
Program
Lease specifies PHA and
Family Obligations
Family
(Tenant)

**What does HUD do?**

Federal law is the source of HUD responsibilities. HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement housing legislation passed by Congress
- Allocate operating subsidies to KEENE HOUSING AUTHORITYs
- Allocate capital funding to KEENE HOUSING AUTHORITYs
- Provide technical assistance to KEENE HOUSING AUTHORITYs on interpreting and applying program requirements
- Monitor KEENE HOUSING AUTHORITY compliance with program requirements and KEENE HOUSING AUTHORITY performance in program administration.

**What does the KEENE HOUSING AUTHORITY do?**

The KEENE HOUSING AUTHORITY's responsibilities originate in federal regulations and the ACC. The KEENE HOUSING AUTHORITY owns and manages public housing developments, administers the program under contract with HUD and has the following major responsibilities:

- Establish local policies
- Review applications from interested applicant families to determine whether applicants are eligible for the program
- Maintain waiting list and select families for admission
- Maintain housing units by making any necessary repairs in a timely manner
- Screen families who apply for tenancy, to determine if they will be good renters
- Offer units to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- Make sure the KEENE HOUSING AUTHORITY has adequate financial resources to maintain its housing stock
- Ensure that families continue to qualify under the program
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the KEENE HOUSING AUTHORITY's ACOP, and other applicable federal, state and local laws.

**What does the Tenant do?**

The tenant's responsibilities are articulated in the public housing lease. The tenant has the following broad responsibilities:

- Comply with the terms of the lease
- Provide the KEENE HOUSING AUTHORITY with complete and accurate information, determined by the KEENE HOUSING AUTHORITY to be necessary for administration of the program
- Cooperate in attending all appointments scheduled by the KEENE HOUSING AUTHORITY
- Allow the KEENE HOUSING AUTHORITY to inspect the unit at reasonable times and after reasonable notice
- Take responsibility for care of the housing unit, including any violations of uniform physical condition standards caused by the family
- Not engage in drug-related or violent criminal activity
- Notify the KEENE HOUSING AUTHORITY before moving or termination of the lease
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit or assign the lease
- Promptly notify the KEENE HOUSING AUTHORITY of any changes in family composition
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled in an effective manner.

## 1-II.C. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: KEENE HOUSING AUTHORITY-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

## PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

### 1-III.A. OVERVIEW AND PURPOSE OF THE POLICY

The ACOP is the KEENE HOUSING AUTHORITY's written statement of policies used to carry out the housing program in accordance with federal law and regulations, and HUD requirements and Keene Housing Authority's Moving to Work Agreement. The ACOP is required by HUD and it must be available for public review [CFR 24 Part 903]. The ACOP also contains policies that support the objectives contained in the KEENE HOUSING AUTHORITY's Agency Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. The KEENE HOUSING AUTHORITY is responsible for complying with all changes in HUD regulations pertaining to public housing. If such changes conflict with this plan, HUD regulations will have precedence.

### 1-III.B. CONTENTS OF THE POLICY

Unlike the housing choice voucher program, HUD regulations for public housing do not contain a list of what must be included in the ACOP. However, individual regulations contain requirements of inclusion in the KEENE HOUSING AUTHORITY's written policy. At a minimum, the ACOP plan should cover KEENE HOUSING AUTHORITY policies on these subjects:

- The organization of the waiting list and how families are selected and offered available units, including any KEENE HOUSING AUTHORITY admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the KEENE HOUSING AUTHORITY waiting list (Chapters 4 and 5)
- Transfer policies and the circumstances under which a transfer would take precedence over an admission (Chapter 12)
- Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed (Chapters 3 and 5)
- Procedures for verifying the information the family has provided (Chapter 7)
- The method for achieving deconcentration of poverty and income-mixing of public housing developments (Chapter 4)
- Grievance procedures (Chapter 14)
- Policies concerning payment by a family to the KEENE HOUSING AUTHORITY of amounts the family owes the KEENE HOUSING AUTHORITY (Chapter 15 and 16)
- Interim redeterminations of family income and composition (Chapter 9)
- Policies regarding community service requirements; (Chapter 11)
- Polices and rules about safety and ownership of pets in public housing (Chapter 10).

**New Approach to Policy Development**

HUD has developed an approach to monitoring policy that emphasizes the importance of consistency. The ACOP supports that goal by clearly defining KEENE HOUSING AUTHORITY policy for KEENE HOUSING AUTHORITY management and staff.

A primary focus of programs like HUD's Rental Integrity Monitoring (RIM) program has been consistency in how KEENE HOUSING AUTHORITYs conduct their business and in how HUD monitors KEENE HOUSING AUTHORITY activities. HUD has made it clear that consistency in KEENE HOUSING AUTHORITY conduct is important. Referring to and following the ACOP is essential to maintaining consistency in applying KEENE HOUSING AUTHORITY policy.

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the KEENE HOUSING AUTHORITY has adopted. The KEENE HOUSING AUTHORITY's Admissions and Continued Occupancy Policy is the document that contains and clarifies KEENE HOUSING AUTHORITY policy. HUD's new direction adds additional emphasis to the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. Therefore, following HUD guidance in the preparation of KEENE HOUSING AUTHORITY policy, even though it is not mandatory, provides a KEENE HOUSING AUTHORITY with a "safe harbor." If a KEENE HOUSING AUTHORITY adopts its own optional policy, it must make its own determination that such policy is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than that suggested by HUD, but PHA's should carefully think through those decisions and be able to articulate how their policy is consistent with federal laws, regulations and mandatory policy.

## 1-III.C. UPDATING AND REVISING THE POLICY

The KEENE HOUSING AUTHORITY will revise this ACOP as needed to comply with changes in HUD regulations. The original policy and any changes must be approved by the board of commissioners of the KEENE HOUSING AUTHORITY, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

KEENE HOUSING AUTHORITY Policy The KEENE HOUSING AUTHORITY will review and update the ACOP at least once a year, and more often if needed, to reflect changes in regulations, KEENE HOUSING AUTHORITY operations, or when needed to ensure staff consistency in operation.

## Chapter 2

## FAIR HOUSING AND EQUAL OPPORTUNITY

### INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHA's to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the PHA's public housing operations.

This chapter describes HUD regulations and KEENE HOUSING AUTHORITY policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the KEENE HOUSING AUTHORITY regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the public housing program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the KEENE HOUSING AUTHORITY to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates HUD's Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal* Register ("Notice of Guidance").

## PART I: NONDISCRIMINATION

### 2-I.A. OVERVIEW

Federal laws require KEENE HOUSING AUTHORITY to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The KEENE HOUSING AUTHORITY will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

KEENE HOUSING AUTHORITY Policy

No state or local nondiscrimination laws or ordinances apply.

## 2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes. State and local requirements, as well as KEENE HOUSING AUTHORITY policies, can prohibit discrimination against additional classes of people.

The KEENE HOUSING AUTHORITY shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes").

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not discriminate on the basis of marital status or sexual orientation.

The KEENE HOUSING AUTHORITY will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

### Providing Information to Families

The KEENE HOUSING AUTHORITY must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the KEENE HOUSING AUTHORITY will provide information to public housing applicant families about civil rights requirements.

### Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the KEENE HOUSING AUTHORITY, the family should advise the KEENE HOUSING AUTHORITY. HUD requires the KEENE HOUSING AUTHORITY to make every reasonable attempt to determine whether the applicant's or tenant family's assertions have merit and take any warranted corrective action.

KEENE HOUSING AUTHORITY Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the KEENE HOUSING AUTHORITY either orally or in writing.

The KEENE HOUSING AUTHORITY will attempt to remedy discrimination complaints made against the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

## PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

### 2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The KEENE HOUSING AUTHORITY must ensure that persons with disabilities have full access to the KEENE HOUSING AUTHORITY's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the public housing program [24 CFR 8].

The KEENE HOUSING AUTHORITY must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy [24 CFR 966.7(b)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will ask all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the KEENE HOUSING AUTHORITY, by including the following language:

> "If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number will be indicated as the contact for requests for accommodation for persons with disabilities.

## 2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A "reasonable accommodation" is a change, exception, or adjustment to a rule, policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies practices and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act .

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the KEENE HOUSING AUTHORITY, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

### Types of Reasonable Accommodations

When it is reasonable (see definition above and Section 2-II.E), the KEENE HOUSING AUTHORITY shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- Installing a ramp into a dwelling or building
- Installing grab bars in a bathroom
- Installing visual fire alarms for hearing impaired persons
- Allowing a KEENE HOUSING AUTHORITY-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space
- Allowing an assistance animal
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with KEENE HOUSING AUTHORITY staff
- Displaying posters and other housing information in locations throughout the KEENE

HOUSING AUTHORITY's office in such a manner as to be easily readable from a wheelchair

## 2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the KEENE HOUSING AUTHORITY treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the KEENE HOUSING AUTHORITY's programs and services.

If the need for the accommodation is not readily apparent or known to the KEENE HOUSING AUTHORITY, the family must explain the relationship between the requested accommodation and the disability.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will encourage the family to make its request in writing using a reasonable accommodation request form. However, the KEENE HOUSING AUTHORITY will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

## 2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the KEENE HOUSING AUTHORITY must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the KEENE HOUSING AUTHORITY's programs and services.

If a person's disability is obvious or otherwise known to the KEENE HOUSING AUTHORITY, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the KEENE HOUSING AUTHORITY will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The KEENE HOUSING AUTHORITY must request only information that is necessary to evaluate the disability-related need for the accommodation. The KEENE HOUSING AUTHORITY may not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

**2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION** [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

The KEENE HOUSING AUTHORITY must approve a request for an accommodation if the following three conditions are met.

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the KEENE HOUSING AUTHORITY, or fundamentally alter the nature of the KEENE HOUSING AUTHORITY's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the KEENE HOUSING AUTHORITY at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the KEENE HOUSING AUTHORITY may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the KEENE HOUSING AUTHORITY may verify the need for the requested accommodation.

KEENE HOUSING AUTHORITY Policy

After a request for an accommodation is presented, the KEENE HOUSING AUTHORITY will respond, in writing, within 10 business days.

If the KEENE HOUSING AUTHORITY denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the KEENE HOUSING AUTHORITY's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the KEENE HOUSING AUTHORITY denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the KEENE HOUSING AUTHORITY's operations), the KEENE HOUSING AUTHORITY will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

If the KEENE HOUSING AUTHORITY believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the

KEENE HOUSING AUTHORITY will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family. The notice will inform the family of the right to appeal the KEENE HOUSING AUTHORITY's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

## 2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the KEENE HOUSING AUTHORITY to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the KEENE HOUSING AUTHORITY's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the KEENE HOUSING AUTHORITY shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

KEENE HOUSING AUTHORITY Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with KEENE HOUSING AUTHORITY staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

## 2-II.G. PHYSICAL ACCESSIBILITY

The KEENE HOUSING AUTHORITY must comply with a variety of regulations pertaining to physical accessibility, including the following.

- PIH 2002-01 (HA), Accessibility Notice
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The KEENE HOUSING AUTHORITY's policies concerning physical accessibility must be readily available to applicants and resident families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the KEENE HOUSING AUTHORITY's responsibilities with regard to physical accessibility.
- Notice PIH 2002-01(HA) Accessibility Notice (which must be posted in the public housing offices in a conspicuous place) summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The KEENE HOUSING AUTHORITY Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of KEENE HOUSING AUTHORITY facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

## 2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A KEENE HOUSING AUTHORITY's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the KEENE HOUSING AUTHORITY's grievance process [24 CFR 966.4(l)(3)(ii)].

When reviewing reasonable accommodation requests, the KEENE HOUSING AUTHORITY must consider whether reasonable accommodation will allow the family to overcome the problem that led to the KEENE HOUSING AUTHORITY's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the KEENE HOUSING AUTHORITY must make the accommodation [24 CFR 966.7].

In addition, the KEENE HOUSING AUTHORITY must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

## PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

### 2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal Register.*

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

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

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

## 2-III.B. ORAL INTERPRETATION

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

KEENE HOUSING AUTHORITY Policy

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

Where feasible, the KEENE HOUSING AUTHORITY will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other KEENE HOUSING AUTHORITYs, and will standardize documents. Where feasible and possible, the KEENE HOUSING AUTHORITY will encourage the use of qualified community volunteers.

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

## 2-III.C. WRITTEN TRANSLATION

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

KEENE HOUSING AUTHORITY Policy

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

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

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

## 2-III.D. IMPLEMENTATION PLAN

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

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

KEENE HOUSING AUTHORITY Policy

If it is determined that the KEENE HOUSING AUTHORITY serves very few LEP persons, and the KEENE HOUSING AUTHORITY has very limited resources, the KEENE HOUSING AUTHORITY will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

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

## EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3, 25.104, and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemolytic ; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the KEENE HOUSING AUTHORITY) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the public housing program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the public housing program, yet an accommodation is needed to provide equal opportunity.

## Chapter 3

## ELIGIBILITY

### INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the public housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the public housing program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for family members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny admission.

## PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

### 3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

### 3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.403 and HUD-50058 IB, p. 13]

The terms *family* and *household* have different meanings in the public housing program.

**Family**

To be eligible for admission, an applicant must qualify as a family. *Family* is defined by HUD as a single person or a group of persons, a family with a child or children, two or more elderly or disabled persons living together, and one or more elderly or disabled persons living with one or more live-in aides. The PHA has the discretion to determine if any other group of persons qualifies as a family.

PHA Policy

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.

To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, the PHA will require applicants to demonstrate that the individuals have lived together previously, or certify that each individual's income and other resources will be available to meet the needs of the family.

**Household**

*Household* is a broader term that includes additional people who, with the PHA's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

## 3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

### Family Break-up

PHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may 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 living in public housing, only one of the new families will continue to be assisted.

If a court determines the disposition of property between members of the applicant or resident family in a divorce or separation decree, the PHA will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the PHA will determine which family retains their placement on the waiting list, or will continue in occupancy taking 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) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

### Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

## 3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

Keene Housing Authority Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

## 3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

Keene Housing Authority Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

Keene Housing Authority Policy

Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

## 3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

### Joint Custody of Dependents

Keene Housing Authority Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

## 3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction (2) the income of such an FTS is treated differently from the income of other family members and (3) determining the eligibility status of full-time students applying to be Head, Co-Head or Spouse

## 3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY

### Elderly Persons

An *elderly person* is a person who is at least 62 years of age [24 CFR 5.100].

### Near-Elderly Persons

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62 [24 CFR 945.105].

### Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person [24 CFR 5.403]. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

## 3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

### Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the public housing program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

### Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying admission for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from enforcing the lease following the policies in Chapter 13.

## 3- I.J. RESIDENT SELF_RELIANCE FAMILY (KHA"S MOVING TO WORK AGREEEMENT)

An *RSR family* is a family whose head, spouse and or co-head are not disabled or elderly. An RSR family is required to participate in the Spectrum Step Rent and Resident Self-Reliance Program. (or any RSR family is any household that does not meet the definition of an elderly or

disabled household.) Elderly and disabled households have the option of participating in the Spectrum Step Rent and RSR program.

## 3-I.K. GUESTS [24 CFR 5.100]

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to do so consent on behalf of the tenant.

The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near PHA premises [24 CFR 966.4(f)].

Keene Housing Authority Policy

A resident family must notify the KHA when overnight guests will be staying in the unit for more than 3 days. A guest may not stay in a unit no more than 14 days without written permission from the landlord. An adult person(s) making recurring visits, or one continuous visit, of 14 days and nights in a 45 day period without written consent of the landlord will be counted as household member(s) and considered a lease violation if the tenant failed to notify the landlord and receive prior approval from the landlord before permitting the guest to become a member of the household..

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the lease.

## 3-I.L. FOSTER CHILDREN AND FOSTER ADULTS

*Foster adults* are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c)(2)].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

Keene Housing Authority Policy

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

## 3-I.M. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, and illness.

### Definitions of Temporarily and Permanently Absent

Keene Housing Authority Policy

Generally an individual who is or is expected to be absent from the public housing unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the public housing unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

### Absent Students

Keene Housing Authority Policy

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

### Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

Keene Housing Authority Policy

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

**Absent Head, Spouse, or Cohead**

Keene Housing Authority Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

**Individuals Confined for Medical Reasons**

Keene Housing Authority Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the Keene Housing Authority will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

**Return of Permanently Absent Family Members**

Keene Housing Authority Policy

The family must request Keene Housing Authority approval for the return of any adult family members that the Keene Housing Authority has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

## 3-I.N. LIVE-IN AIDE

*Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by a family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

Keene Housing Authority Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional of the family's choosing, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

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

The Keene Housing Authority will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 966.4(d)(3)(i)]:

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

The person has a history of drug-related criminal activity or violent criminal activity; or

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

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the Keene Housing Authority will notify the family of its decision in writing.

## PART II: BASIC ELIGIBILITY CRITERIA

### 3-II.A. INCOME ELIGIBILITY AND TARGETING

**Income Limits**

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

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

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

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

*Extremely low-income family.* A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

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

**Using Income Limits for Eligibility [24 CFR 960.201]**

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

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

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

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

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

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

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

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

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

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

### Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

#### *U.S. Citizens and Nationals*

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

Keene Housing Authority Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

#### *Eligible Noncitizens*

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

*Ineligible Noncitizens*

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

**Mixed Families**

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of informal hearing procedures.

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

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

Keene Housing Authority Policy

The Keene Housing Authority will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen.

When the Keene Housing Authority determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the

conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 14.

**Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

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

If an individual qualifies for a time extension for the submission of required documents, the Keene Housing Authority 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.

Keene Housing Authority Policy

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

## 3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]

For every family member age 6 or older the family must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued. If a family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian [24 CFR 5.216(j)]. Assistance cannot be provided to a family until all SSN documentation requirements are met. A detailed discussion of acceptable documentation is provided in Chapter 7.

If a new member who is at least six years of age is added to the family, the new member's SSN documentation must be submitted at the family's next interim or regular reexamination, whichever comes first. If any member of the family who is at least six years of age obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

The Keene Housing Authority must deny admission to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

## 3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/

Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].

### 3-II.E. Determining and Verifying Eligibility of "Full-time" College Students of Non-parental/guardian Households (24 CFR 5.603).

LISTED IN TABLE A ARE REQUIRED ELIGIBILITY AND VERIFICATION STANDARDS THAT MUST BE MET PRIOR TO ADMITTING "FULL-TIME" COLLEGE STUDENTS TO PIH RENTAL ASSISTANCE PROGRAMS. A FULL-TIME STUDENT IS DEFINED AS A PERSON WHO IS ATTENDING SCHOOL OR VOCATIONAL TRAINING ON A FULL-TIME BASIS

| TABLE A — REQUIRED STEPS | |
|---|---|
| **DETERMINATION OF ELIGIBILITY** | **VERIFICATION OF ELIGIBILITY** |
| **The student must be of legal age or an emancipated minor under the state law.** | PHAs must obtain proof of age such as a valid drivers license, identification card issued by a federal, state, or local agency, identification issued by a medical insurance company, birth certificate, or other form of identification, as determined by the PHA. |
| The student must be income eligible for admission to the public housing/HCV programs (24 CFR 960.201 and 982.201). | PHAs must verify all sources of reported family income, in accordance with 24 CFR 960.259 and 982.516. |

Listed in table B are suggested eligibility and verification standards and policies for admitting "full-time" college students. PHAs are encouraged to update their policies and implement the following regarding "full-time" college students.

| a. *Table B — Suggested Steps* | |
|---|---|
| **Determination of Eligibility** | **Verification of Eligibility** |
| Each college student within a household must provide a *written/signed certification* that the student does or does not anticipate receiving financial support from the student's parent(s) or guardian(s) and the amount of support | PHAs must verify, via independent third-party verification, all amounts anticipated to be received outside of the family during the 12-month period following admission and the effective date of the annual reexamination |
| The college student must have established a household separate from his/her parents or legal guardians for at least *one year* prior to applying to public housing, voucher, or certificate programs | Obtain evidence of separate households by reviewing/verifying the address information that predates the student's application by a minimum of *one* year |
| The college student *must not be claimed* as a dependent by parent(s) or legal guardian(s) on their Internal Revenue Services (IRS) tax return | This may be achieved by requesting a copy of the college student's Form 1040EZ, 1040A, or 1040 tax returns for the prior year. Check the box that asks whether the student's parents (or someone else) can claim him/her on their tax return (See box "5" for Form 1040EZ and box "6a" for Forms 1040A and 1040). The PHA may also, if practicable, review the college student's parents' or guardians' tax return. The college student must supply any information that the PHA or HUD determines is necessary in administration of public housing, voucher, or certificate programs (24 CFR 960.259 and 982.551) |

## PART III: DENIAL OF ADMISSION

### 3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied admission.

In addition, HUD requires or permits the PHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part.

### 3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

PHAs are required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the PHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the PHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, the PHA may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the PHA to admit an otherwise-eligible family if the household member has completed a Keene Housing Authority-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

  Keene Housing Authority Policy

  The Keene Housing Authority will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the Keene Housing Authority is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the Keene Housing Authority, or the person who committed the crime is no longer living in the household.

- The Keene Housing Authority determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

Keene Housing Authority Policy

*Currently engaged in* is defined as any use of illegal drugs during the previous six months.

- The Keene Housing Authority has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

  Keene Housing Authority Policy

  In determining reasonable cause, the Keene Housing Authority will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.

  Keene Housing Authority Policy

  If any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine in any location, not just federally assisted housing, the family will be denied assistance.

- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

  Keene Housing Authority Policy

  If any household member is currently registered as a sex offender under a state registration requirement, regardless of whether it is a lifetime registration requirement, the family will be denied assistance.

## 3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits, but does not require the PHA to deny admission for the reasons discussed in this section.

### Criminal Activity [24 CFR 960.203 (b) and (c)]

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

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

Keene Housing Authority Policy

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

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].

Criminal activity that may threaten the health or safety of PHA staff, contractors, subcontractors, or agents.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past 5 years.

In making its decision to deny assistance, the Keene Housing Authority will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the Keene Housing Authority may, on a case-by-case basis, decide not to deny assistance.

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

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

In the event of the receipt of unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense).

Keene Housing Authority Policy

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

Has a record of unsuitable past performance in meeting financial obligations, including rent within the past three years

Has a record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences within the past five years which may adversely affect the health, safety, or welfare of other tenants

Has a record of eviction from housing or termination from residential programs within the past three years (considering relevant circumstances)

Owes rent or other amounts to this or any other PHA or owner in connection with any assisted housing program

Has been evicted or terminated from any of the Keene Housing Authority's programs in the past 3 years.

Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

Has engaged in or threatened violent or abusive behavior toward PHA personnel

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

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

In making its decision to deny admission, the Keene Housing Authority will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the Keene Housing Authority may, on a case-by-case basis, decide not to deny admission.

The Keene Housing Authority will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

## 3-III.D. SCREENING

### Screening for Eligibility

Keene Housing Authority's are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

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

Keene Housing Authority Policy

The PHA will perform criminal background checks through local law enforcement for all adult household members.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the will request information from the National Crime Information Center (NCIC).

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

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

***Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]***

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the Keene Housing Authority may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the Keene Housing Authority whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

*Drug Abuse Treatment Facility* means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.

*Currently engaging in illegal use of a drug* means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the Keene Housing Authority has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the Keene Housing Authority for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the Keene Housing Authority chooses to obtain such information from drug abuse treatment facilities, it must implement the following policy:

Policy B: The Keene Housing Authority must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the Keene Housing Authority chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

Keene Housing Authority Policy

The Keene Housing Authority will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the PHA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

**Screening for Suitability as a Tenant [24 CFR 960.203(c)]**

The Keene Housing Authority is responsible for the screening and selection of families to occupy public housing units. The Keene Housing Authority may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

Keene Housing Authority Policy

The Keene Housing Authority will consider the family's history with respect to the following factors:

Past performance in meeting financial obligations, especially rent;

A record of disturbance of neighbors,destruction of property, or living with housekeeping habits at prior residences which may adversely affect the health, safety or welfare of other tenants, or cause damage to the unit or development;

Involvement in criminal activity on the part of any applicant family member involving crimes of physical violence against persons or property and any other criminal activity including drug-related criminal activity that would adversley affect the health, safety, or well being of other tenants or staff or cause damage to the property;

A record of eviction from housing or termination from residnetial programs (considering relevant circumstances);

An applicant's ability and willingness to comply with the terms of the KHA lease;

An applicant's misrepresentation of any information related to eligibility, award of preference for admission, allowances, family composition of rent.

Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C

Compliance with any other essential conditions of tenancy

**Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]**

PHAs have a variety of resources available to them for determination of the suitability of applicants. Generally, PHAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

Keene Housing Authority Policy

In order to determine the suitability of applicants the PHA will examine applicant history for the past five years. Such background checks will include:

*Past Performance in Meeting Financial Obligations, Especially Rent*

PHA and landlord references for the past five years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the PHA/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. PHAs and landlords will be asked if they would rent to the applicant family again.

Utility company references covering the monthly amount of utilities, late payment, disconnection, return of a utility deposit and whether the applicant can get utilities turned on in his/her name. (Use of this inquiry will be reserved for applicants applying for units where there are tenant-paid utilities.)

If an applicant has no rental payment history the Keene Housing Authority will check court records of eviction actions and other financial judgments, and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident, but a poor credit rating may.

Applicants with no rental payment history will also be asked to provide the Keene Housing Authority with professional references. The references will be requested to complete a verification of the applicant's ability to pay rent if no other documentation of ability to meet financial obligations is available. The applicant will also be required to complete a checklist documenting their ability to meet financial obligations.

If previous landlords or the utility company do not respond to requests from the PHA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

*Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development*

PHA and landlord references for the past five years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.

Police and court records within the past five years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

A professional reference will be requested to complete a verification of the applicant's ability to care for the unit and avoid disturbing neighbors if no other documentation is available. In these cases, the applicant will also be required to complete a checklist documenting their ability to care for the unit and to avoid disturbing neighbors.

Home visits may be used to determine the applicant's ability to care for the unit in the absence of landlord references or contradictory or unclear information provided on a landlord reference.

## 3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION

### Evidence

Keene Housing Authority Policy

The Keene Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

### Consideration of Circumstances [24 CFR 960.203(c)(3) and (d)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the Keene Housing Authority receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, PHAs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

Keene Housing Authority Policy

The Keene Housing Authority will consider the following factors when making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of admission may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The Keene Housing Authority will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

**Removal of a Family Member's Name from the Application [24 CFR 960.203(c)(3)(i)]**

HUD permits PHAs to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which warrants denial of admission, to not reside in the unit.

Keene Housing Authority Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the public housing unit.

After admission to the program, the family must present evidence of the former family member's current address upon Keene Housing Authority request.

**Reasonable Accommodation [PH Occ GB, pp. 58-60]**

If the family includes a person with disabilities, the Keene Housing Authority's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

Keene Housing Authority Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the Keene Housing Authority will determine whether the behavior is related to the disability. If so, upon the family's request, the Keene Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Keene Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

## 3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

The Keene Housing Authority will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a Keene Housing Authority uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the Keene Housing Authority can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

Keene Housing Authority Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the Keene Housing Authority will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the Keene Housing Authority to dispute the information within that 10 day period, the Keene Housing Authority will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

## EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

**Person with Disabilities [24 CFR 5.403]**

The term *person with disabilities* means a person who has any of the following types of conditions.

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months

  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

  A severe, chronic disability of a person 5 years of age or older which:

  - Is attributable to a mental or physical impairment or combination of mental and physical impairments
  - Is manifested before the person attains age twenty-two
  - Is likely to continue indefinitely
  - Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency
  - Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided."

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of

such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

**Individual with Handicaps [24 CFR 8.3]**

*Individual with handicaps* means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment

(c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

## Chapter 4

## APPLICATIONS, WAITING LIST AND TENANT SELECTION

### INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the KEENE HOUSING AUTHORITY with the information needed to determine the family's eligibility. HUD requires the KEENE HOUSING AUTHORITY to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the KEENE HOUSING AUTHORITY must select families from the waiting list in accordance with HUD requirements and KEENE HOUSING AUTHORITY policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The KEENE HOUSING AUTHORITY is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the KEENE HOUSING AUTHORITY to receive preferential treatment.

HUD regulations require that the KEENE HOUSING AUTHORITY comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the KEENE HOUSING AUTHORITY will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and KEENE HOUSING AUTHORITY policies for taking applications, managing the waiting list and selecting families from the waiting list. The KEENE HOUSING AUTHORITYs policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the KEENE HOUSING AUTHORITY's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

> Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the KEENE HOUSING AUTHORITY will handle the applications it receives.
>
> Part II: Managing the Waiting List. This part presents the policies that govern how the KEENE HOUSING AUTHORITY's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the KEENE HOUSING AUTHORITY will use to keep the waiting list current.

Part III: Tenant Selection. This part describes the policies that guide the KEENE HOUSING AUTHORITY in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the KEENE HOUSING AUTHORITY has the information needed to make a final eligibility determination.

## PART I: THE APPLICATION PROCESS

### 4-I.A. OVERVIEW

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

### 4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the KEENE HOUSING AUTHORITY to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the KEENE HOUSING AUTHORITY.

KEENE HOUSING AUTHORITY Policy

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

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

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

Families may obtain application forms from the KEENE HOUSING AUTHORITY's office during normal business hours. Families may also request – by telephone or by mail that a form be sent to the family via first class mail.

Completed applications must be returned to the KEENE HOUSING AUTHORITY by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the KEENE HOUSING AUTHORITY for processing. If an application is incomplete, the KEENE HOUSING AUTHORITY will notify the family of the additional information required.

## 4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

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

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

The KEENE HOUSING AUTHORITY must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the KEENE HOUSING AUTHORITY must provide an alternate approach that provides equal access to the application process. Chapter 2 provides a full discussion of the KEENE HOUSING AUTHORITY's policies related to providing reasonable accommodations for people with disabilities.

### Limited English Proficiency

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

## 4-I.D. PLACEMENT ON THE WAITING LIST

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

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

### Ineligible for Placement on the Waiting List

KEENE HOUSING AUTHORITY Policy

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

### Eligible for Placement on the Waiting List

KEENE HOUSING AUTHORITY Policy

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

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

Applicants will be placed on the waiting list according to KEENE HOUSING AUTHORITY preference(s) and the date and time their complete application is received by the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not

overcrowded according to KEENE HOUSING AUTHORITY standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.

## PART II: MANAGING THE WAITING LIST

### 4-II.A. OVERVIEW

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

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

### 4-II.B. ORGANIZATION OF THE WAITING LIST

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

KEENE HOUSING AUTHORITY Policy

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

Name and social security number of head of household

Unit size required (number of family members)

Amount and source of annual income

Accessibility requirement, if any

Date and time of application or application number

Household type (family, elderly, disabled)

Admission preference, if any

Race and ethnicity of the head of household

The specific site(s) selected (only if KEENE HOUSING AUTHORITY offers site-based waiting lists)

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will maintain site based waiting lists with separate waiting lists for each of the following Public Housing sites owned by the Keene Housing Authority:

Forest View

North and Gilsum

Harper Acres

Bennett Block

Scattered Site 005

Scattered Site 006

Scattered Site 010

Applicants will be allowed to select the sites for which they want to be placed and the bedroom sizes for which they are determined eligible. However, the applicant family will be allowed only one offer and if they refuse without good cause they will be removed from all Keene Housing Authority Public Housing waiting lists. If two units are available at the same time, the applicant will have the option of selecting the unit they wish to occupy.

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

HUD permits, but does not require, that PHA's maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not merge the public housing waiting list with the waiting list for any other program the KEENE HOUSING AUTHORITY operates.

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

### Closing the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will keep the waiting lists for public housing open regardless of length.

### Reopening the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

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

***Keene Sentinel***

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

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

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

KEENE HOUSING AUTHORITY outreach efforts must comply with fair housing requirements. This includes:

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

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

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

KEENE HOUSING AUTHORITY Policy

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

## 4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

KEENE HOUSING AUTHORITY Policy

While the family is on the waiting list, the family must inform the KEENE HOUSING AUTHORITY, within 10 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

## 4-II.F. UPDATING THE WAITING LIST

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

### Purging the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The waiting list will be updated as needed and at minimum annually, to ensure that all applicants and applicant information is current and timely.

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

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the KEENE HOUSING AUTHORITY not later than 15 business days from the date of the KEENE HOUSING AUTHORITY letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the

applicant prevent the KEENE HOUSING AUTHORITY from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the Programs and Services Manager may reinstate the family if s/he determines the lack of response was due to KEENE HOUSING AUTHORITY error, or to circumstances beyond the family's control.

**Removal from the Waiting List**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will remove applicants from the waiting list if they have requested that their name be removed. In such cases no informal hearing is required.

If the KEENE HOUSING AUTHORITY determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the KEENE HOUSING AUTHORITY has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the KEENE HOUSING AUTHORITY's decision (see Chapter 14) [24 CFR 960.208(a)].

## PART III: TENANT SELECTION

### 4-III.A. OVERVIEW

The KEENE HOUSING AUTHORITY must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The KEENE HOUSING AUTHORITY must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The KEENE HOUSING AUTHORITY must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the KEENE HOUSING AUTHORITY and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The KEENE HOUSING AUTHORITY must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the KEENE HOUSING AUTHORITY's selection policies [24 CFR 960.206(e)(2)]. The KEENE HOUSING AUTHORITY's policies must be posted any place where the KEENE HOUSING AUTHORITY receives applications. The KEENE HOUSING AUTHORITY must provide a copy of its tenant selection policies upon request to any applicant or tenant. The KEENE HOUSING AUTHORITY may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

KEENE HOUSING AUTHORITY Policy

When an applicant or resident family requests a copy of the KEENE HOUSING AUTHORITY's tenant selection policies, the KEENE HOUSING AUTHORITY will provide copies to them free of charge.

## 4-III.B. SELECTION METHOD

KEENE HOUSING AUTHORITYs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the KEENE HOUSING AUTHORITY will use.

### Local Preferences [24 CFR 960.206]

KEENE HOUSING AUTHORITYs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the KEENE HOUSING AUTHORITY to establish other local preferences, at its discretion. Any local preferences established must be consistent with the KEENE HOUSING AUTHORITY plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

### Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40% of the families admitted to public housing during the KEENE HOUSING AUTHORITY's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, the KEENE HOUSING AUTHORITY may skip non-ELI families on the waiting list in order to select an ELI family.

If a KEENE HOUSING AUTHORITY also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the KEENE HOUSING AUTHORITY's HCV program during a KEENE HOUSING AUTHORITY fiscal year that exceed the 75% minimum target requirement for the voucher program, shall be credited against the KEENE HOUSING AUTHORITY's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the KEENE HOUSING AUTHORITY fiscal year; (2) ten percent of waiting list admissions to the KEENE HOUSING AUTHORITY's housing choice voucher program during the KEENE HOUSING AUTHORITY fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of KEENE HOUSING AUTHORITY public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

**Mixed Population Developments [24 CFR 960.407]**

A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the KEENE HOUSING AUTHORITY at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The KEENE HOUSING AUTHORITY must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The KEENE HOUSING AUTHORITY may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the KEENE HOUSING AUTHORITY must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The KEENE HOUSING AUTHORITY may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

**Units Designated for Elderly or Disabled Families [24 CFR 945]**

The KEENE HOUSING AUTHORITY may designate projects or portions of a public housing project specifically for elderly or disabled families. The KEENE HOUSING AUTHORITY must have a HUD-approved allocation plan before the designation may take place.

The Keene Housing Authority will admit near-elderly and families along with elderly and disabled families in order of date of application. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the KEENE HOUSING AUTHORITY must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority has designated housing. The developments with designated housing are as follows:

Harper Acres

Bennett Block

Near-elderly families will be admitted at these housing sites in addition to elderly and disabled families. There will be a preference applied for Congregate Program applicants at Harper Acres. Bennett Block is designated only for Congregate program participants and as a result the Bennett Block waiting list will only be open to approved Congregate applicants.

**Deleted:** There will be no preferences applied for elderly and disabled families. All families will be admitted based on their date and time of application regardless of family status.

**Order of Selection Among Preferences**

**1. Natural Disaster/Governmental Displacement Preference: The KHA defines the Natural Disat**

**Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]**

The KEENE HOUSING AUTHORITY's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the KEENE HOUSING AUTHORITY's deconcentration policies must be in included in its annual plan [24 CFR 903.7(b)].

The KEENE HOUSING AUTHORITY's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a KEENE HOUSING AUTHORITY with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a KEENE HOUSING AUTHORITY with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

***Steps for Implementation [24 CFR 903.2(c)(1)]***

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments.

KEENE HOUSING AUTHORITY Policy

It is the Keene Housing Authority's policy to provide for deconcentration of poverty an encourage income mixing in family developments through its Spectrum Moving to Work Program. Spectrum is designed to provide residents with opportunities for economic mobility and increases in income levels. Through economic uplift and self-sufficiency programs, KHA intends on achieving deconcentration. As part of the Moving to Work Annual Report, the Keene Housing Authority will analyze the impact of this program on deconcentration and adjust their strategy and policies accordingly to ensure the agency meets the deconcentration objective.

Depending on local circumstances the KEENE HOUSING AUTHORITY's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments

- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the KEENE HOUSING AUTHORITY in consultation with the residents and the community through the annual plan process to be responsive to local needs and KEENE HOUSING AUTHORITY strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the KEENE HOUSING AUTHORITY's deconcentration policy. The KEENE HOUSING AUTHORITY must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the KEENE HOUSING AUTHORITY's deconcentration policy [24 CFR 903.2(c)(4)].

**Order of Selection [24 CFR 960.206(e)]**

The KEENE HOUSING AUTHORITY system of preferences may select families either according to the date and time of application or by a random selection process.

KEENE HOUSING AUTHORITY Policy

Families will be selected by the waiting list based on date and time of application with exception to the following federal preference:

Natural Disaster/Governmental Displacement Preference

The Keene Housing Authority defines the Natural Disaster/Governmental Displacement Preference to include applicants who can document that they have been displaced by natural disaster declared by the President of the United States, or displaced, through no fault of their own, by governmental action.

## 4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the KEENE HOUSING AUTHORITY must notify the family.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview

Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

Documents that must be provided at the interview to document eligibility for a preference, if applicable

Other documents and information that should be brought to the interview

If a notification letter is returned to the KEENE HOUSING AUTHORITY with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the KEENE HOUSING AUTHORITY from making an eligibility determination; therefore no informal hearing will be offered.

## 4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the KEENE HOUSING AUTHORITY obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

KEENE HOUSING AUTHORITY Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the KEENE HOUSING AUTHORITY.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the KEENE HOUSING AUTHORITY will proceed with the interview. If the KEENE HOUSING AUTHORITY determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the KEENE HOUSING AUTHORITY will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within

the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the KEENE HOUSING AUTHORITY will provide translation services in accordance with the KEENE HOUSING AUTHORITY's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the KEENE HOUSING AUTHORITY in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the KEENE HOUSING AUTHORITY will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without KEENE HOUSING AUTHORITY approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the KEENE HOUSING AUTHORITY from making an eligibility determination, therefore the KEENE HOUSING AUTHORITY will not offer an informal hearing.

## 4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The KEENE HOUSING AUTHORITY must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including KEENE HOUSING AUTHORITY suitability standards, the KEENE HOUSING AUTHORITY must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined. (Notice of Eligibility)

The KEENE HOUSING AUTHORITY must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

KEENE HOUSING AUTHORITY Policy

If the KEENE HOUSING AUTHORITY determines that the family is ineligible, the KEENE HOUSING AUTHORITY will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the KEENE HOUSING AUTHORITY uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the KEENE HOUSING AUTHORITY can move to deny the application. See Section 3-III.F. for the KEENE HOUSING AUTHORITY's policy regarding such circumstances.

## Chapter 5

## OCCUPANCY STANDARDS AND UNIT OFFERS

### INTRODUCTION

The KEENE HOUSING AUTHORITY must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

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

Policies in this chapter are organized in two parts.

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

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

## PART I: OCCUPANCY STANDARDS

### 5-I.A. OVERVIEW

Occupancy standards are established by the KEENE HOUSING AUTHORITY to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the KEENE HOUSING AUTHORITY will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

## 5-I.B. DETERMINING UNIT SIZE

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

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

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

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use the same occupancy standards for each of its developments.

The KEENE HOUSING AUTHORITY's occupancy standards are as follows:

The KEENE HOUSING AUTHORITY will assign one bedroom for each two persons within the household, except in the following circumstances:

Persons of the opposite sex will not be required to share a bedroom.

Persons of different generations will not be required to share a bedroom.

Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.

Single person families will be allocated a zero or one bedroom.

Unborn children and Foster children will be included in determining unit size.

The KEENE HOUSING AUTHORITY will reference the following standards in determining the appropriate unit bedroom size for a family:

| BEDROOM SIZE | MINIMUM NUMBER OF PERSONS | MAXIMUM NUMBER OF PERSONS |
|---|---|---|
| 0 | 1 | 1 |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 4 | 8 |
| 5 | 6 | 10 |
| 6 | 8 | 12 |

## 5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

### Types of Exceptions

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will consider granting exceptions to the occupancy standards at the family's request if the KEENE HOUSING AUTHORITY determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances. For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities.

When evaluating exception requests the KEENE HOUSING AUTHORITY will consider the size and configuration of the unit. In no case will the KEENE HOUSING AUTHORITY grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the KEENE HOUSING AUTHORITY may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

**Processing of Exceptions**

KEENE HOUSING AUTHORITY Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the KEENE HOUSING AUTHORITY will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the KEENE HOUSING AUTHORITY will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The KEENE HOUSING AUTHORITY will notify the family of its decision within 10 business days of receiving the family's request.

## PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

### 5-II.A. OVERVIEW

The KEENE HOUSING AUTHORITY must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination.

In filling an actual or expected vacancy, the KEENE HOUSING AUTHORITY must offer the dwelling unit to an applicant in the appropriate sequence. The KEENE HOUSING AUTHORITY will offer the unit until it is accepted. This section describes the KEENE HOUSING AUTHORITY's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the KEENE HOUSING AUTHORITY's policies for offering units with accessibility features.

KEENE HOUSING AUTHORITY Policy

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

### 5-II.B. NUMBER OF OFFERS

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY has adopted a "one offer plan" or Plan A for offering units to applicants. Under Plan A:

Each applicant gets one offer. In cases where two units are available at the same time, the applicant may chose among the two units.

Applicants have an incentive to accept the unit offered.

Unless the applicant has good cause for refusing the unit offer, the applicant should accept it or be removed from all Public Housing waiting list at the Keene Housing Authority.

The amount of time spent making offers to any applicant is limited to the time it takes to make one offer.

The Keene Housing Authority's record-keeping is limited to the offer made, whether it is accepted or refused, and whether the applicant has good cause for refusal (and is entitled to another offer)

## 5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

KEENE HOUSING AUTHORITY Policy

Applicants must accept or refuse a unit offer within 2 business days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

## 5-II.D. REFUSALS OF UNIT OFFERS

### Good Cause for Unit Refusal

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

KEENE HOUSING AUTHORITY Policy

Applicants may refuse to accept a unit offer for *"good cause." Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities

The family demonstrates to the KEENE HOUSING AUTHORITY's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move

The unit has lead-based paint and the family includes children under the age of six

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The KEENE HOUSING AUTHORITY will require documentation of good cause for unit refusals.

**Unit Refusal Without Good Cause**

KEENE HOUSING AUTHORITY Policy

When an applicant rejects the final unit offer without good cause, the KEENE HOUSING AUTHORITY will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the KEENE HOUSING AUTHORITY opens the waiting list.

## 5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

KEENE HOUSING AUTHORITYs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the KEENE HOUSING AUTHORITY must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the KEENE HOUSING AUTHORITY's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the KEENE HOUSING AUTHORITY may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

KEENE HOUSING AUTHORITY Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the KEENE HOUSING AUTHORITY will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the KEENE HOUSING AUTHORITY will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

## 5-II.F. DESIGNATED HOUSING

When applicable, the KEENE HOUSING AUTHORITY's policies for offering units designated for elderly families only or for disabled families only are described in the KEENE HOUSING AUTHORITY's Designated Housing Plan.

## Chapter 6

## INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

### INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's rent payment. The KEENE HOUSING AUTHORITY will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and KEENE HOUSING AUTHORITY policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and KEENE HOUSING AUTHORITY policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the KEENE HOUSING AUTHORITY to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and KEENE HOUSING AUTHORITY policies for calculating adjusted income are found in Part II.

Part III: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

## PART I: ANNUAL INCOME

### 6-I.A. OVERVIEW

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

> 5.609 Annual income.
>
> (a) Annual income means all amounts, monetary or not, which:
>
> (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
>
> (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
>
> (3) Which are not specifically excluded in paragraph [5.609(c)].
>
> (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

## 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

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

| **Summary of Income Included and Excluded by Person** | |
|---|---|
| Live-in aides | Income from all sources is excluded [24 CFR 5.609(c)(5)]. |
| Foster child or foster adult | Income from all sources is excluded [24 CFR 5.609(a)(1)]. |
| Head, spouse, or cohead<br>Other adult family members | All sources of income not specifically excluded by the regulations are included. |
| Children under 18 years of age | Employment income is excluded [24 CFR 5.609(c)(1)].<br><br>All other sources of income, except those specifically excluded by the regulations, are included. |
| Full-time students 18 years of age or older (not head, spouse, or cohead) | Employment income above $480/year is excluded [24 CFR 5.609(c)(11)].<br><br>All other sources of income, except those specifically excluded by the regulations, are included. |

**Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

KEENE HOUSING AUTHORITY Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

***Absent Students***

KEENE HOUSING AUTHORITY Policy

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

*Absences Due to Placement in Foster Care*

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

KEENE HOUSING AUTHORITY Policy

If a child has been placed in foster care, the KEENE HOUSING AUTHORITY will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

*Absent Head, Spouse, or Cohead*

KEENE HOUSING AUTHORITY Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

*Individuals Confined for Medical Reasons*

KEENE HOUSING AUTHORITY Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the KEENE HOUSING AUTHORITY will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

**Joint Custody of Children**

KEENE HOUSING AUTHORITY Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the KEENE HOUSING AUTHORITY will make the determination based on available documents such as court orders, or an

IRS return showing which family has claimed the child for income tax purposes.

**Caretakers for a Child**

KEENE HOUSING AUTHORITY Policy

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

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the KEENE HOUSING AUTHORITY will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

## 6-I.C. ANTICIPATING ANNUAL INCOME

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

### Basis of Annual Income Projection

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

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The KEENE HOUSING AUTHORITY believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

KEENE HOUSING AUTHORITY Policy

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

***Known Changes in Income***

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

**Example:** An employer reports that a full-time employee who has been receiving $6/hour will begin to receive $6.25/hour in the eighth week after the effective date of the reexamination. In such a case the KEENE HOUSING AUTHORITY would calculate annual income as follows: ($6/hour × 40 hours × 7 weeks) + ($6.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the KEENE

HOUSING AUTHORITY will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the KEENE HOUSING AUTHORITY's policy on reexaminations does not require interim reexaminations for other types of changes.

**Using Up-Front Income Verification (UIV) to Project Income**

HUD strongly recommends the use of up-front income verification (UIV). UIV is "the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals" [PIH Notice 2004-01 Verification Guidance ("VG"), p. 7].

HUD allows KEENE HOUSING AUTHORITYs to use UIV information in conjunction with family-provided documents to anticipate income.

KEENE HOUSING AUTHORITY Policy

KEENE HOUSING AUTHORITY procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of the KEENE HOUSING AUTHORITY interview date.

The KEENE HOUSING AUTHORITY will follow "HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available" in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of $200 or more per month.

**No Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by less than $200 per month, the KEENE HOUSING AUTHORITY will follow these guidelines:

- If the UIV figure is less than the family's figure, the KEENE HOUSING AUTHORITY will use the family's information.
- If the UIV figure is more than the family's figure, the KEENE HOUSING AUTHORITY will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the KEENE HOUSING AUTHORITY will use the family-provided information.

**Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by $200 or more per month, the KEENE HOUSING AUTHORITY will follow these guidelines:

- The KEENE HOUSING AUTHORITY will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).
- When the KEENE HOUSING AUTHORITY cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the KEENE HOUSING AUTHORITY will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The KEENE HOUSING AUTHORITY will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.
The KEENE HOUSING AUTHORITY will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

## 6-I.D. EARNED INCOME

### Types of Earned Income Included in Annual Income

*Wages and Related Compensation [24 CFR 5.609(b)(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 is included in annual income.

KEENE HOUSING AUTHORITY Policy

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

*Some Types of Military Pay*

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

### Types of Earned Income Not Counted in Annual Income

*Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]*

This type of income (including gifts) is not included in annual income.

KEENE HOUSING AUTHORITY Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

*Children's Earnings [24 CFR 5.609(c)(1)]*

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

*Certain Earned Income of Full-Time Students*

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

*Income of a Live-in Aide.*

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

*Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]*

Income from some federal programs is specifically excluded from consideration as income, including:

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

*Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]*

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed $200 per individual per month) received by a resident for performing a service for the KEENE 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, resident initiatives coordination, and serving as a member of the KEENE HOUSING AUTHORITY's governing board. No resident may receive more than one such stipend during the same period of time.

*State and Local Employment Training Program*

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

KEENE HOUSING AUTHORITY Policy

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

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

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

End of participation in a training program must be reported in accordance with the KEENE HOUSING AUTHORITY's reporting requirements (see chapter on reexaminations).

*HUD-Funded Training Programs*

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

KEENE HOUSING AUTHORITY Policy

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

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

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

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

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

### Eligibility

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least $500.

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority's Moving to Work Spectrum Program is required to all public housing families and is an option for all elderly and disabled families. The program promotes employment and increases in income among all adult family members. This program include services through the Resident Self-reliance program and a step rent system that is based on a flat rent based on bedroom size that increasing gradually over a period of five years. Since the step rent system is not based on income the principle of EID does not apply. Therefore, the KEENE HOUSING AUTHORITY does not apply the Earned Income Disallowance to public housing families.

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

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

### Business Expenses

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

KEENE HOUSING AUTHORITY Policy

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

### Business Expansion

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

KEENE HOUSING AUTHORITY Policy

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

**Capital Indebtedness**

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

KEENE HOUSING AUTHORITY Policy

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

**Negative Business Income**

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

**Withdrawal of Cash or Assets from a Business**

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

KEENE HOUSING AUTHORITY Policy

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

**Co-owned Businesses**

KEENE HOUSING AUTHORITY Policy

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

## 6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

### Overview

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

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

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

### General Policies

#### *Income from Assets*

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

KEENE HOUSING AUTHORITY Policy

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

*Valuing Assets*

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

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

KEENE HOUSING AUTHORITY Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

*Lump-Sum Receipts*

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

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

When net family assets are $5,000 or less, the KEENE HOUSING AUTHORITY will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, the KEENE HOUSING AUTHORITY will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

*Determining Actual Anticipated Income from Assets*

It may or may not be necessary for the KEENE HOUSING AUTHORITY to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

*Withdrawal of Cash or Liquidation of Investments*

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

*Jointly Owned Assets*

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

KEENE HOUSING AUTHORITY Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the KEENE HOUSING AUTHORITY will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the KEENE HOUSING AUTHORITY will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the KEENE HOUSING AUTHORITY will prorate the asset evenly among all owners.

***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the KEENE HOUSING AUTHORITY to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

*Minimum Threshold*

The KEENE HOUSING AUTHORITY may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires.

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

*Separation or Divorce*

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

KEENE HOUSING AUTHORITY Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

*Foreclosure or Bankruptcy*

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

*Family Declaration*

KEENE HOUSING AUTHORITY Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The KEENE HOUSING AUTHORITY may verify the value of the assets disposed of if other information available to the KEENE HOUSING AUTHORITY does not appear to agree with the information reported by the family.

**Types of Assets**

***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

KEENE HOUSING AUTHORITY Policy

In determining the value of a checking account, the KEENE HOUSING AUTHORITY will use the average monthly balance for the last six months.

In determining the value of a savings account, the KEENE HOUSING AUTHORITY will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the KEENE HOUSING AUTHORITY will multiply the value of the account by the current rate of interest paid on the account.

***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

KEENE HOUSING AUTHORITY Policy

In determining the market value of an investment account, the KEENE HOUSING AUTHORITY will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the KEENE HOUSING AUTHORITY will calculate asset income based on the earnings for the most recent reporting period.

*Equity in Real Property or Other Capital Investments*

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

KEENE HOUSING AUTHORITY Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the KEENE HOUSING AUTHORITY determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

*Trusts*

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

*Revocable Trusts*

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

*Nonrevocable Trusts*

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

***Retirement Accounts***

*Company Retirement/Pension Accounts*

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the KEENE HOUSING AUTHORITY must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

*IRA, Keogh, and Similar Retirement Savings Accounts*

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

*Personal Property*

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

KEENE HOUSING AUTHORITY Policy

In determining the value of personal property held as an investment, the KEENE HOUSING AUTHORITY will use the family's estimate of the value. However, the KEENE HOUSING AUTHORITY also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

KEENE HOUSING AUTHORITY Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

*Life Insurance*

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

## 6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

### Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

### Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

KEENE HOUSING AUTHORITY Policy

When a delayed-start payment is received and reported during the period in which the KEENE HOUSING AUTHORITY is processing an annual reexamination, the KEENE HOUSING AUTHORITY will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the KEENE HOUSING AUTHORITY.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

**Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]

  KEENE HOUSING AUTHORITY Policy

  The KEENE HOUSING AUTHORITY will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].

## 6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

## 6-I.J. WELFARE ASSISTANCE

### Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

### Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The KEENE HOUSING AUTHORITY must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

#### *Covered Families*

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

#### *Imputed Income*

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the KEENE HOUSING AUTHORITY must include in annual income "imputed" welfare income. The KEENE HOUSING AUTHORITY must request that the welfare agency inform the KEENE HOUSING AUTHORITY when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

For special procedures related to grievance hearings based upon the KEENE HOUSING AUTHORITY's denial of a family's request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

#### *Offsets*

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

## 6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

### Alimony and Child Support

The KEENE HOUSING AUTHORITY must count alimony or child support amounts awarded as part of a divorce or separation agreement.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will count court-awarded amounts for alimony and child support unless the KEENE HOUSING AUTHORITY verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

### Regular Contributions or Gifts

The KEENE HOUSING AUTHORITY must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

KEENE HOUSING AUTHORITY Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the KEENE HOUSING AUTHORITY. For contributions that may vary from month to month (e.g., utility payments), the KEENE HOUSING AUTHORITY will include an average amount based upon past history.

## 6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:

  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))

  (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)

  (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))

  (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)

  (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

  (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)

(g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)

(h) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)

(i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)

(j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

(k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

(l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

(m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

(n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))

(o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)

(p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

(q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)

(r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)

(s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

## PART II: ADJUSTED INCOME

### 6-II.A. INTRODUCTION

**Overview**

HUD regulations require KEENE HOUSING AUTHORITYs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

> 5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (KEENE HOUSING AUTHORITY) must deduct the following amounts from annual income:
>
> (1) $480 for each dependent;
>
> (2) $400 for any elderly family or disabled family;
>
> (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
>
> (i) Unreimbursed medical expenses of any elderly family or disabled family;
>
> (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
>
> (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

### 6-II. B.Standard Deduction for Elderly and Disabled Households: Moving to Work Waiver

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority will provide a standard deduction of $1500 for all elderly and disabled households. This deduction includes any qualifying medical, disability assistance expenses, child care expenses and the elderly household deduction of $400. It does not include the $480 deduction per household dependent. Households with qualifying dependents would receive an additional deduction of $480 per qualifying dependent in the household in addition to the standard deduction of $1500. 3% of gross income will be deducted from the $1100 medical portion of the standard deduction. Households that would experience a rent burden higher than 30% of their adjusted

income would be eligible to receive a deduction based on their verified and actual qualifying expenses plus the $400 elderly/disabled household deduction.

**Anticipating Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.C. DEPENDENT DEDUCTION

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

## 6-II.D. ELDERLY OR DISABLED FAMILY DEDUCTION

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

## 6-II.E. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

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

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

### Definition of *Medical Expenses*

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

KEENE HOUSING AUTHORITY Policy

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

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

**Families That Qualify for Both Medical and Disability Assistance Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.F. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

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

### Earned Income Limit on the Disability Assistance Expense Deduction

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

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

KEENE HOUSING AUTHORITY Policy

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

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

**Eligible Disability Expenses**

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

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

***Eligible Auxiliary Apparatus***

KEENE HOUSING AUTHORITY Policy

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

***Eligible Attendant Care***

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

KEENE HOUSING AUTHORITY Policy

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

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

If the care attendant also provides other services to the family, the KEENE HOUSING AUTHORITY will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be

based upon the number of hours spent in each activity and/or the number of persons under care.

*Payments to Family Members*

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

**Necessary and Reasonable Expenses**

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

KEENE HOUSING AUTHORITY Policy

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

**Families That Qualify for Both Medical and Disability Assistance Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.G. CHILD CARE EXPENSE DEDUCTION

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

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses.

### Qualifying for the Deduction

#### *Determining Who Is Enabled to Pursue an Eligible Activity*

KEENE HOUSING AUTHORITY Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

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

#### *Seeking Work*

KEENE HOUSING AUTHORITY Policy

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

***Furthering Education***

KEENE HOUSING AUTHORITY Policy

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

***Being Gainfully Employed***

KEENE HOUSING AUTHORITY Policy

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

**Earned Income Limit on Child Care Expense Deduction**

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

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

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

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

KEENE HOUSING AUTHORITY Policy

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

**Eligible Child Care Expenses**

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

***Allowable Child Care Activities***

KEENE HOUSING AUTHORITY Policy

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

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

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

***Necessary and Reasonable Costs***

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

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.H. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]

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

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY has opted not to use permissive deductions.

## PART III: CALCULATING RENT

### 6-III.A. OVERVIEW OF SPECTRUM RENT CALCULATION METHODS

All families, including elderly and disabled, are considered to be participants in the MTW Spectrum program. All Keene Housing Authority Public Housing and Section 8 Housing Assistance Coupon participants, with the exception of people with disabilities and the elderly, are required to participate in the RSR and Spectrum stepped rent programs.. Elderly and Disabled households have the option of their rent being calculated using the stepped rent or income based method. There are three major components of the Spectrum MTW Program:

- Step Rent System
- Safety Net
- Resident Self-Reliance Program

**Income Based Method of Rent Calculation**

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the KEENE HOUSING AUTHORITY.

**TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the KEENE HOUSING AUTHORITY

The KEENE HOUSING AUTHORITY has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

***Welfare Rent [24 CFR 5.628]***

KEENE HOUSING AUTHORITY Policy

Welfare rent does apply at this locality.

***Minimum Rent [24 CFR 5.630]***

KEENE HOUSING AUTHORITY Policy

The minimum rent for this locality is $125.

**Step Rents and Flat Rents: Moving to Work Waiver**

KEENE HOUSING AUTHORITY POLICY

KHA flat rents are set for households whose rent is calculated using the income based method. Flat rents do not apply to residents participating in the Spectrum step rent program. The flat rent is based on the current Fair Market Rents for Cheshire County. In doing so, it considers the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The amount of the flat rent will be reevaluated annually and adjustments applied. Affected families will be given a 30-day notice of any rent change. Adjustments are applied on the anniversary date for each affected family.

KHA will post the flat rents at each of the developments and at the Main Office, and are incorporated in this policy upon approval by the Board of Commissioners.

**Flat Rents Effective October 1, 2005:**

O Bedroom $559

1 Bedroom $597

2 Bedroom $748

3 Bedroom $902

4 Bedroom $902

**Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]**

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY chooses not to use ceiling rents.

**Step Rents**

The step rents are designed to gradually reduce the Public Housing subsidy received by each resident. Under KHA's SPECTRUM Moving to Work Demonstration Program, rents are set at one of three levels. Their rent will be calculated as follows:

1. Step 1

The Step 1 Rent Level is equal to 30 percent of the family's adjusted income, 10 percent of gross income, welfare rate (if eligible), or Minimum Rent, whichever is greater, but not to exceed the 3rd Step Rent Level for the bedroom size of the unit. Families with Step 1 Rent Levels calculated below the Minimum Rent May apply for an assistance through Safety Net program if they are experiencing a Hardship.

Minimum Rent is set at $125 per month

Those families entering the program with rent levels calculated to be greater than the 3rd Step Rent Level (65 percent of VPS) will have 3rd Step Rent Level for the term of the family's tenancy.

2. 2nd Step Rent Level

Families move to the 2nd Step Rent Level beginning one year from initial occupancy and continuing until three years from initial occupancy. The rent will be set at 45 percent of the VPS for the bedroom size of the unit.

Those residents whose 1st Step Rent Level was and still remains higher than the 2nd Step Level, will retain their 1st Step Rent Level for the 2nd Step Rent Level period, until the 5th year of participation in the program, when the rent will increase to the 3rd Step Rent Level.

3. 3rd Step Rent Level

The 3rd Step Rent Level will begin three years after initial occupancy and continue for the remainder of the resident's tenancy. The rent will be set at 65 percent of the VPS for the bedroom size of the unit.

If a family leaves the public housing program and reenters before 3 years has passed, providing they still qualify as an RSR family, they will enter at the same Step Rent Level as when they exited the program.

## 6-III.B. SAFETY NET PROGRAM FOR TENANTS EXPERIENCING FINANCIAL HARDSHIPS [24 CFR 5.630]

KEENE HOUSING AUTHORITY Policy

The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows Residents to work off a portion of their rent by completing jobs for the Keene Housing Authority, follow a payment arrangement or reduce the rent for a specified period of time by conducting an interim adjustment.

Tenants who work to pay rent receive an hourly rental credit toward their rent balance. Safety Net is not meant to take the place of full-time employment for the tenants who are able to work. Residents are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship. Rather than adjust the rent each time a tenant's income changes, SPECTRUM's rent system simulates the private market where rent is fixed and not negotiable when there is a decrease in income.

1. Safety Net Eligibility Guidelines

RSR families who receive Public Housing or Housing Assistance Coupon assistance may apply for the Safety Net. Applicants must provide appropriate verification and complete required paperwork for the application and submit by the deadline or within ten days of the change. All reported changes should be verified according to the verification guidelines set forth in this policy. Applicants must meet all three of the following criteria to be eligible for Safety Net.

a. In good standing with the KHA
b. In compliance with the RSR program
c. Income eligible: resident pays more than 30% of their income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional hardship criteria such as:

1. Presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work
3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the Resident's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Income based families experiencing a decrease in income that would result in a 5% or greater increase in their Total Tenant Payment.
6. HUD Defined hardships listed below:

**HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

KEENE HOUSING AUTHORITY Policy

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

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

(2) The family would be evicted because it is unable to pay their rent because they have a rent burden over 30% of the gross income.

KEENE HOUSING AUTHORITY Policy

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

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

KEENE HOUSING AUTHORITY Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).Once a tenant has been accepted into the Safety Net program they must sign an amendment to their lease that adjusts their rent for a specified time frame.

Treatment of Disability Status in Safety Net

If a participant becomes temporarily disabled and is in the RSR program, verification is sent to determine the length of the disability. The participant will remain in the RSR program while disabled; however, the Safety Net subsidy will be income-based for the length of disability and will not be paid back or worked off. Prior to the end of the disability time-frame, Keene Housing Authority staff will re-verify the disability if the tenant is requesting we continue their participation in Safety Net. Once the disability status has been verified to end, the subsidy will return to the appropriate step level subsidy. The five-year timeframe of the RSR program is not halted during Safety Net regardless of cause and time length.

**6. III C. Resident Self-Reliance Program (RSR)**

An RSR family is a family whose head, spouse or co-head are not disabled or elderly. An RSR family is required to participate in the Spectrum Step Rent Program. If the household's status changes during occupancy and a household that previously qualified as an elderly/disabled household no longer meets the definition of such, their status changes to that of an RSR family and they are required to participate in the Step Rent and RSR programs. Their first year's rent will be calculated as if they were a new tenant and start at Step Rent Level 1. If a household was previously in the Step Rent and RSR program, they would return at the same level they were at when they left the program unless it has been over five years. In that case, they would start at Step Rent Level 1.

Elderly and disabled households who elect to participate in the Step Rent and RSR programs may chose to return to the income based method at their annual recertification. However, once they elect to return to the income-based method of rent calculation, they will not have the option of returning to the Step Rent method of rent calculation at future annuals unless their household status changes.

Near elderly families may chose to elect the income based method of rent calculation and opt out of the RSR program requirements at the end of their initial five year period once they have reached elderly status, age 62 or over.

The RSR program is designed to help each family achieve, to the best of their ability, economic self-sufficiency. All families entering the program participate in a required assessment within a specified time frame after their lease signing. The assessment helps the participant identify key competencies they will need to build to achieve self-sufficiency. In addition, families are required to participate in a separate goal setting meetings where the family identifies goals they will accomplish each quarter relating to the core competency areas. Families are required as part of their lease to participate in program activities that will help them achieve skills in Core Competencies essential to achieving economic stability:

C. Employment
D. Education
E. Financial Management
F. Family Planning and Parenting

Tenants sign the RSR lease addendum contract which outlines their obligations that are required to continue occupancy. Required activities include:

- Create and maintain a financial plan
- Participate in quarterly goal setting sessions
- Make reasonable progress toward goals
- Participate in required skill development activities

Failure to comply with RSR obligation will result in a rent increase to the Fair Market Rent and possible Lease Termination.

Families who have achieved their required competency areas and are in good standing may apply for a waiver from some of the RSR required activities. If the family falls out of good standing, meaning they have no lease violations, they do not owe money to KHA and they are not under eviction, they will be required to participate in all RSR activities and lose the RSR waiver.

**Utility Reimbursement [24 CFR 960.253(c)(3)]**

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the KEENE HOUSING AUTHORITY to pay the reimbursement to the family or directly to the utility provider.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not make utility reimbursements to the family.**6-**

**6 - III.D. UTILITY ALLOWANCES [24 CFR 965, Subpart E]**

**Overview**

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the KEENE

HOUSING AUTHORITY must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

**Reasonable Accommodation [24 CFR 8]**

On request from a family, KEENE HOUSING AUTHORITYs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

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

See Chapter 2 for policies related to reasonable accommodations.

**Utility Allowance Revisions [24 CFR 965.507]**

The KEENE HOUSING AUTHORITY must review its schedule of utility allowances each year. Between annual reviews, the KEENE HOUSING AUTHORITY must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

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

KEENE HOUSING AUTHORITY Policy

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

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

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The KEENE HOUSING AUTHORITY must prorate the assistance provided to a mixed family. The KEENE HOUSING AUTHORITY will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the KEENE HOUSING AUTHORITY must:

(1) Subtract the TTP from a maximum rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.

(2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).

(3) Multiply the member maximum subsidy by the number of eligible family members.

(4) Subtract the subsidy calculated in the last step from the maximum rent. This is the prorated TTP.

(5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

KEENE HOUSING AUTHORITY Policy

Revised public housing maximum rents will be applied to a family's rent calculation at the first annual reexamination after the revision is adopted.

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

## EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

### 24 CFR 5.609

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

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

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

(3) Which are not specifically excluded in paragraph (c) of 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.

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

(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 as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets 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 the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic 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 as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(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[1]; and

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[1] Text of 45 CFR 260.31 follows (next page).

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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 shall consist 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 paragraph shall be the amount resulting from one application of the percentage.

(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 as provided in paragraph (c)(7) of this section)

## HHS DEFINITION OF "ASSISTANCE"

**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

## EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

**24 CFR 5.609**

*(c) Annual income does not include the following:*

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) 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 KEENE 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, resident initiatives coordination, and serving as a member of the KEENE HOUSING AUTHORITY's governing board. No resident may receive more than one such stipend during the same period of time;

(v) 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

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

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

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

(16) Amounts paid by a State agency to a family with a 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

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to KEENE HOUSING AUTHORITYs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

| Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits |
|---|

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L-94-540, 90 Stat. 2503-04);

h) The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

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## EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

### 24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, KEENE HOUSING AUTHORITYs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

## EXHIBIT 6-4: THE EFFECT OF WELFARE BENEFIT REDUCTION

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

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

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the KEENE HOUSING AUTHORITY by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the KEENE HOUSING AUTHORITY, the welfare agency will inform the KEENE HOUSING AUTHORITY in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the KEENE HOUSING AUTHORITY of any subsequent changes in the term or amount of such specified welfare benefit reduction. The KEENE HOUSING AUTHORITY will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the KEENE HOUSING AUTHORITY's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the KEENE HOUSING AUTHORITY by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The KEENE HOUSING AUTHORITY may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of KEENE HOUSING AUTHORITY decision.*

(1) Public housing. If a public housing tenant claims that the KEENE HOUSING AUTHORITY has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the KEENE HOUSING AUTHORITY denies the family's request to modify such amount, the KEENE HOUSING AUTHORITY shall give the tenant written notice of such denial, with a brief explanation of the basis for the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income. The KEENE HOUSING AUTHORITY notice shall also state that if the tenant does not agree with the KEENE HOUSING AUTHORITY determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the KEENE HOUSING AUTHORITY determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the KEENE HOUSING AUTHORITY determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the KEENE HOUSING AUTHORITY denies the family's request to modify such amount, the KEENE HOUSING AUTHORITY shall give the family written notice of such denial, with a brief explanation of the basis for the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the KEENE HOUSING AUTHORITY determination, the family may request an informal hearing on the determination under the KEENE HOUSING AUTHORITY hearing procedure.

*(e) KEENE HOUSING AUTHORITY relation with welfare agency.*

(1) The KEENE HOUSING AUTHORITY must ask welfare agencies to inform the KEENE HOUSING AUTHORITY of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the KEENE HOUSING AUTHORITY written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The KEENE HOUSING AUTHORITY is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the KEENE HOUSING AUTHORITY. However, the KEENE HOUSING AUTHORITY is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The KEENE HOUSING AUTHORITY shall be entitled to rely on the welfare agency notice to the KEENE HOUSING AUTHORITY of the welfare agency's

determination of a specified welfare benefits | reduction.

# Chapter 7

# VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

## INTRODUCTION

The KEENE HOUSING AUTHORITY must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and tenants must cooperate with the verification process as a condition of receiving assistance. The KEENE HOUSING AUTHORITY must not pass on the cost of verification to the family.

The KEENE HOUSING AUTHORITY will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance ("VG") and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary KEENE HOUSING AUTHORITY policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies established by the KEENE HOUSING AUTHORITY.

## PART I: GENERAL VERIFICATION REQUIREMENTS

### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION
### [24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the KEENE HOUSING AUTHORITY or HUD determines is necessary to the administration of the program and must consent to KEENE HOUSING AUTHORITY verification of that information [24 CFR 960.259(a)(1)].

**Consent Forms**

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the KEENE HOUSING AUTHORITY may

collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

**Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the KEENE HOUSING AUTHORITY will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the KEENE HOUSING AUTHORITY's grievance procedures.

## 7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

### HUD's Verification Hierarchy [VG, p. 11-14]

HUD authorizes the KEENE HOUSING AUTHORITY to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the KEENE HOUSING AUTHORITY to use the most reliable form of verification that is available and to document the reasons when the KEENE HOUSING AUTHORITY uses a lesser form of verification.

KEENE HOUSING AUTHORITY Policy

In order of priority, the forms of verification that the KEENE HOUSING AUTHORITY will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the Verification Guidance that provides guidance with respect to how each method may be used.

### Requirements for Acceptable Documents

KEENE HOUSING AUTHORITY Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 90 calendar days of the date they are provided to the KEENE HOUSING AUTHORITY. The documents must not be damaged, altered or in any way illegible.

The KEENE HOUSING AUTHORITY will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the KEENE HOUSING AUTHORITY would accept the most recent report.

Print-outs from web pages are considered original documents.

The KEENE HOUSING AUTHORITY staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the KEENE HOUSING AUTHORITY and must be signed in the presence of a KEENE HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

**File Documentation**

The KEENE HOUSING AUTHORITY must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the KEENE HOUSING AUTHORITY has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## 7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the KEENE HOUSING AUTHORITY's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the KEENE HOUSING AUTHORITY has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the KEENE HOUSING AUTHORITY's informal review/hearing processes.

**Definition of Substantial Difference**

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. In "HUD Guidelines for Projecting Annual Income When UIV Data is Available," HUD recommends using $200 per month as the threshold for a substantial difference. The KEENE HOUSING AUTHORITY will use the $200 per month as the threshold for a substantial difference.

See Chapter 6 for the KEENE HOUSING AUTHORITY's policies on the definition of substantial difference and the use of UIV to project annual income and for the KEENE HOUSING AUTHORITY's threshold for substantial difference.

**When No Substantial Difference Exists**

If UIV information does not differ substantially from family information, the UIV documentation may serve as third-party written verification.

**When a Substantial Difference Exists [24 CFR 5.236(b)]**

When there is a substantial difference between the information provided by the UIV source and the family, the KEENE HOUSING AUTHORITY must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

## 7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

### Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the KEENE HOUSING AUTHORITY to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The KEENE HOUSING AUTHORITY may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The KEENE HOUSING AUTHORITY will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the KEENE HOUSING AUTHORITY will request third-party oral verification.

The KEENE HOUSING AUTHORITY will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, KEENE HOUSING AUTHORITY staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the KEENE HOUSING AUTHORITY will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the KEENE HOUSING AUTHORITY will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the KEENE HOUSING AUTHORITY will use any information provided orally in combination with reviewing family-provided documents (see below).

### When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the KEENE HOUSING AUTHORITY will use the information from documents on a provisional basis. If the KEENE HOUSING AUTHORITY later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the KEENE HOUSING AUTHORITY will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of the KEENE HOUSING AUTHORITY's interim reexamination policy.

### When Third-Party Verification is Not Required

#### *Primary Documents*

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

#### *Certain Assets and Expenses*

The KEENE HOUSING AUTHORITY may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The KEENE HOUSING AUTHORITY may determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than $500 annually and the family has original documents that support the declared amount.

*Certain Income, Asset and Expense Sources*

The KEENE HOUSING AUTHORITY will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the KEENE HOUSING AUTHORITY will rely upon review of documents when the KEENE HOUSING AUTHORITY determines that a third party's privacy rules prohibit the source from disclosing information.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the KEENE HOUSING AUTHORITY will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## 7-I.E. REVIEW OF DOCUMENTS

### Using Review of Documents as Verification

KEENE HOUSING AUTHORITY Policy

If the KEENE HOUSING AUTHORITY has determined that third-party verification is not available or not required, the KEENE HOUSING AUTHORITY will use documents provided by the family as verification.

The KEENE HOUSING AUTHORITY may also review documents when necessary to help clarify information provided by third parties. In such cases the KEENE HOUSING AUTHORITY will document in the file how the KEENE HOUSING AUTHORITY arrived at a final conclusion about the income or expense to include in its calculations.

## 7-I.F. SELF-CERTIFICATION

KEENE HOUSING AUTHORITY Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the KEENE HOUSING AUTHORITY and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a KEENE HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

## PART II: VERIFYING FAMILY INFORMATION

### 7-II.A. VERIFICATION OF LEGAL IDENTITY

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will require families to furnish verification of legal identity for each household member.

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

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

If none of these documents can be provided and at the KEENE HOUSING AUTHORITY's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the KEENE HOUSING AUTHORITY and be signed in the presence of a KEENE HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

Legal identity will be verified on an as needed basis.

## 7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV, p. 5-12]

For every family member age 6 or older, the family must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will also accept the following documents as evidence if the SSN is provided on the document:

Driver's license

Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union

Payroll stubs

Benefit award letters from government agencies; retirement benefit letters; life insurance policies

Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the KEENE HOUSING AUTHORITY will require a self-certification stating that documentation of the SSN cannot be provided at this time. The KEENE HOUSING AUTHORITY will require documentation of the SSN within 60 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, the KEENE HOUSING AUTHORITY will grant an additional 60 calendar days to provide documentation.

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

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination. In addition, if a child reaches the age of

6 and has no SSN, the parent or guardian must execute a self-certification stating that the child has no SSN at the next regularly scheduled reexamination.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

## 7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

KEENE HOUSING AUTHORITY Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the KEENE HOUSING AUTHORITY will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

## 7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

KEENE HOUSING AUTHORITY Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

### Marriage

KEENE HOUSING AUTHORITY Policy

Certification by the head of household is normally sufficient verification. If the KEENE HOUSING AUTHORITY has reasonable doubts about a marital relationship, the KEENE HOUSING AUTHORITY will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

### Separation or Divorce

KEENE HOUSING AUTHORITY Policy

Certification by the head of household is normally sufficient verification. If the KEENE HOUSING AUTHORITY has reasonable doubts about a separation or divorce, the KEENE HOUSING AUTHORITY will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

**Absence of Adult Member**

KEENE HOUSING AUTHORITY Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

**Foster Children and Foster Adults**

KEENE HOUSING AUTHORITY Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## 7-II.E. VERIFICATION OF STUDENT STATUS

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

## 7-II.F. DOCUMENTATION OF DISABILITY

The KEENE HOUSING AUTHORITY must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The KEENE HOUSING AUTHORITY is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The KEENE HOUSING AUTHORITY may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the KEENE HOUSING AUTHORITY receives a verification document that provides such information, the KEENE HOUSING AUTHORITY will not place this information in the tenant file. Under no circumstances will the KEENE HOUSING AUTHORITY request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at **www.os.dhhs.gov**.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

**Family Members Receiving SSA Disability Benefits**

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

KEENE HOUSING AUTHORITY Policy

For family members claiming disability who receive SSI or other disability payments from the SSA, the KEENE HOUSING AUTHORITY will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available, or HUD's Tenant Assessment Subsystem (TASS). If documentation from HUD's EIV System or TASS is not available, the KEENE HOUSING AUTHORITY will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the applicant or resident receives the benefit

verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

### Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

KEENE HOUSING AUTHORITY Policy

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## 7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

### Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and KEENE HOUSING AUTHORITY verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

### U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The KEENE HOUSING AUTHORITY may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

KEENE HOUSING AUTHORITY Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the KEENE HOUSING AUTHORITY receives information indicating that an individual's declaration may not be accurate.

**Eligible Immigrants**

***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

***KEENE HOUSING AUTHORITY Verification*** [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the KEENE HOUSING AUTHORITY must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The KEENE HOUSING AUTHORITY will follow all USCIS protocols for verification of eligible immigration status.

## 7-II.H. VERIFICATION OF PREFERENCE STATUS

The KEENE HOUSING AUTHORITY must verify any preferences claimed by an applicant.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY does not offer any preferences with exception of Federal Emergency Preferences.

## PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides KEENE HOUSING AUTHORITY policies that supplement the general verification procedures specified in Part I of this chapter.

### 7-III.A. EARNED INCOME

#### Tips

KEENE HOUSING AUTHORITY Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

### 7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

KEENE HOUSING AUTHORITY Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

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

The KEENE HOUSING AUTHORITY will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the KEENE HOUSING AUTHORITY may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the KEENE HOUSING AUTHORITY will accept the family member's certified estimate of income

and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the KEENE HOUSING AUTHORITY will require the family to provide documentation of income and expenses for this period and use that information to project income.

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

### Social Security/SSI Benefits

KEENE HOUSING AUTHORITY Policy

To verify the SS/SSI benefits of applicants, the KEENE HOUSING AUTHORITY will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the applicant has received the benefit verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

To verify the SS/SSI benefits of residents, the KEENE HOUSING AUTHORITY will obtain information about social security/SSI benefits through the HUD EIV System or the Tenant Assessment Subsystem (TASS). If benefit information is not available in HUD systems, the KEENE HOUSING AUTHORITY will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the resident has received the benefit verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

## 7-III.D. ALIMONY OR CHILD SUPPORT

KEENE HOUSING AUTHORITY Policy

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

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

If payments are made through a state or local entity, the KEENE HOUSING AUTHORITY will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules

Copy of the latest check and/or payment stubs

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

## 7-III.E. ASSETS AND INCOME FROM ASSETS

### Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The KEENE HOUSING AUTHORITY needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will verify the value of assets disposed of only if:

The KEENE HOUSING AUTHORITY does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a $10,000 certificate of deposit at the last annual reexamination and the KEENE HOUSING AUTHORITY verified this amount. Now the person reports that she has given this $10,000 to her son. The KEENE HOUSING AUTHORITY has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the KEENE HOUSING AUTHORITY will verify the value of this asset.

## 7-III.F. NET INCOME FROM RENTAL PROPERTY

KEENE HOUSING AUTHORITY Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the KEENE HOUSING AUTHORITY will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance

and utilities, and bank statements or amortization schedules showing monthly interest expense.

## 7-III.G. RETIREMENT ACCOUNTS

KEENE HOUSING AUTHORITY Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.
*Upon* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.
*After* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

## 7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The KEENE HOUSING AUTHORITY must obtain verification for income exclusions only if, without verification, the KEENE HOUSING AUTHORITY would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the KEENE HOUSING AUTHORITY will confirm that KEENE HOUSING AUTHORITY records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family's rent (as is the case with the earned income disallowance). In all other cases, the KEENE HOUSING AUTHORITY will report the amount to be excluded as indicated on documents provided by the family.

## 7-III.I. ZERO ANNUAL INCOME STATUS

Families claiming to have no annual income will be required to execute verification forms to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

## PART IV: VERIFYING MANDATORY DEDUCTIONS

### 7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the KEENE HOUSING AUTHORITY verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

**Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The KEENE HOUSING AUTHORITY will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

**Elderly/Disabled Family Deduction**

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The KEENE HOUSING AUTHORITY will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

## 7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the KEENE HOUSING AUTHORITY will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The KEENE HOUSING AUTHORITY will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the KEENE HOUSING AUTHORITY must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

**Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities. The KEENE HOUSING AUTHORITY will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

**Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the KEENE HOUSING AUTHORITY's policy on what counts as a medical expense.

**Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

**Expenses Incurred in Past Years**

KEENE HOUSING AUTHORITY Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the KEENE HOUSING AUTHORITY will verify:

The anticipated repayment schedule
The amounts paid in the past, and
Whether the amounts to be repaid have been deducted from the family's annual income in past years

## 7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

*Attendant Care*

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible
If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source
If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

*Auxiliary Apparatus*

KEENE HOUSING AUTHORITY Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus
If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months
If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the KEENE HOUSING AUTHORITY must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

**Family Member is a Person with Disabilities**

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The KEENE HOUSING AUTHORITY will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

**Family Member(s) Permitted to Work**

The KEENE HOUSING AUTHORITY must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

**Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

## 7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the KEENE HOUSING AUTHORITY must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

### Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The KEENE HOUSING AUTHORITY will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

### Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

**Pursuing an Eligible Activity**

The KEENE HOUSING AUTHORITY must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

KEENE HOUSING AUTHORITY Policy

*Information to be Gathered*

The KEENE HOUSING AUTHORITY will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

*Seeking Work*

Whenever possible the KEENE HOUSING AUTHORITY will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the KEENE HOUSING AUTHORITY will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the KEENE HOUSING AUTHORITY any reports provided to the other agency.

In the event third-party verification is not available, the KEENE HOUSING AUTHORITY will provide the family with a form on which the family member must record job search efforts. The KEENE HOUSING AUTHORITY will review this information at each subsequent reexamination for which this deduction is claimed.

*Furthering Education*

The KEENE HOUSING AUTHORITY will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

*Gainful Employment*

The KEENE HOUSING AUTHORITY will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

**Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The KEENE HOUSING AUTHORITY will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The KEENE HOUSING AUTHORITY will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

**Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

KEENE HOUSING AUTHORITY Policy

The actual costs the family incurs will be compared with the KEENE HOUSING AUTHORITY's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the KEENE HOUSING AUTHORITY will request additional documentation, as required, to support a determination that the higher cost is appropriate.

## Exhibit 7-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)

| | |
|---|---|
| **Upfront (UIV)** | **Highest (Highly Recommended, highest level of third party verification)** |
| **Written 3rd Party** | **High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)** |
| **Oral 3rd Party** | **Medium (Mandatory if written third party verification is not available)** |
| **Document Review** | **Medium-Low (Use on provisional basis)** |
| **Tenant Declaration** | **Low (Use as last resort)** |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Wages/Salaries | Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information. | In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information. | When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| | Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information. | The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form. | | | |
| | Use of HUD systems, when available. | | | | |

**Verification of Employment Income:** The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.
**Effective Date of Employment:** The PHA should always confirm start and termination dates of employment

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Self-Employment | Not Available | The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information. | The PHA may call the source to obtain income information. | The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. **Note:** The PHA must document in the tenant file, the reason third party verification was not obtained. | The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| **Verification of Self-Employment Income:** Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement. | | | | | |
| Social Security Benefits | Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports. | The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)** | The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)** | The PHA may accept an original SSA Notice from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| Welfare Benefits | Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information. | The PHA may call the local Social Services Agency to obtain current benefit amount. | The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Child Support | Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status. | The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status. | The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| Unemployment Benefits | Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.<br><br>Use of HUD systems, when available. | The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information. | The PHA may call the State Wage Information Collection Agency to obtain current benefit amount. | The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| Pensions | Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information. | The PHA may call the pension provider to obtain current benefit amount. | The PHA may review an original benefit notice from the pension provider provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Assets | Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person. | The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information. | The PHA may call the source to obtain asset and asset income information. | The PHA may review original documents provided by the tenant. **Note: The PHA must document in the tenant file, the reason third party verification was not available.** | The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. **Note: The PHA must document in the tenant file, the reason third party verification was not available.** |
| **Comments** | Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review. | **Note:** The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source. | The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount. | | The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. **Notarized statement should include a perjury penalty statement.** |

**Note:** The PHA must not pass verification costs along to the participant.

**Note:** In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)

**Exhibit 7-2: Summary of Documentation Requirements for Noncitizens**
**[HCV GB, pp. 5-9 and 5-10)**

<table>
<tr><td colspan="2">

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the KEENE HOUSING AUTHORITY.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

</td></tr>
<tr><td colspan="2">

**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

</td></tr>
<tr><td>

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - "Admitted as a Refugee Pursuant to Section 207"
  - "Section 208" or "Asylum"
  - "Section 243(h)" or "Deportation stayed by Attorney General"
  - "Paroled Pursuant to Section 221 (d)(5) of the USCIS"

</td><td>

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

</td></tr>
<tr><td>

- Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".

</td><td>

Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

</td></tr>
<tr><td colspan="2">

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

</td></tr>
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# Chapter 8

## LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

### INTRODUCTION

Public housing leases are the basis of the legal relationship between the KEENE HOUSING AUTHORITY and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations.

HUD rules also require the KEENE HOUSING AUTHORITY to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the KEENE HOUSING AUTHORITY may require additional inspections in accordance with KEENE HOUSING AUTHORITY policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the KEENE HOUSING AUTHORITY's policies pertaining to lease execution, modification, and payments under the lease.

Part II: Inspections. This part describes the KEENE HOUSING AUTHORITY's policies for inspecting dwelling units.

## PART I: LEASING

### 8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the KEENE HOUSING AUTHORITY may not renew the lease if the family has violated the Spectrum Program requirements. [24 CFR 966.4(a)(2)].

Part I of this chapter contains regulatory information, when applicable, as well as the KEENE HOUSING AUTHORITY's policies governing leasing issues.

## 8-I.B. LEASE ORIENTATION

KEENE HOUSING AUTHORITY Policy

After unit acceptance but prior to occupancy, a KEENE HOUSING AUTHORITY representative will provide a lease orientation to the family. The head of household or spouse is required to attend.

### Orientation Agenda

KEENE HOUSING AUTHORITY Policy

When families attend the lease orientation, they will be provided with:

A copy of the lease

A copy of the KEENE HOUSING AUTHORITY's grievance procedure

A copy of the house rules

A copy of the KEENE HOUSING AUTHORITY's schedule of maintenance charges

A copy of the pamphlet *Protect Your Family From Lead in Your Home*

A copy of *Things You Should Know* (HUD-1140-OIG)

Topics to be discussed will include:

Applicable deposits and other charges

Review and explanation of lease provisions

Unit maintenance and work orders

The KEENE HOUSING AUTHORITY's reporting requirements

Explanation of occupancy forms

Spectrum Program options and requirements

## 8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the KEENE HOUSING AUTHORITY, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one KEENE HOUSING AUTHORITY unit to another.

The lease must state the composition of the household as approved by the KEENE HOUSING AUTHORITY (family members and any KEENE HOUSING AUTHORITY-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

KEENE HOUSING AUTHORITY Policy

The head of household, spouse or cohead, and all other adult members of the household will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the KEENE HOUSING AUTHORITY will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to KEENE HOUSING AUTHORITY assistance. The live-in aide is only approved to live in the unit while serving as the attendant for the participant family member.

## 8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the KEENE HOUSING AUTHORITY [24 CFR 966.4(a)(3)].

### Modifications to the Lease Form

The KEENE HOUSING AUTHORITY may modify its lease from time to time. However, the KEENE HOUSING AUTHORITY must give residents 30 days advance notice of the proposed changes and an opportunity to comment on the changes. The KEENE HOUSING AUTHORITY must also consider any comments before formally adopting the new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(l)(2)(iii)(E)].

KEENE HOUSING AUTHORITY Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

KEENE HOUSING AUTHORITY Policy

When the KEENE HOUSING AUTHORITY proposes to modify or revise schedules of special charges or rules and regulations, the KEENE HOUSING AUTHORITY will post a copy of the notice in the central office, and will mail a copy of the notice to each resident family. Documentation of proper notice will be included in each resident file.

**Other Modifications**

KEENE HOUSING AUTHORITY Policy

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and KEENE HOUSING AUTHORITY will be required to initial and date the change.

If a new household member is approved by the KEENE HOUSING AUTHORITY to reside in the unit, the person's name and birth date will be added to the lease. The head of household and KEENE HOUSING AUTHORITY will be required to initial and date the change. If the new member of the household is an adult, s/he will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

## 8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the KEENE HOUSING AUTHORITY, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the KEENE HOUSING AUTHORITY. The KEENE HOUSING AUTHORITY may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

KEENE HOUSING AUTHORITY Policy

Residents must pay a security deposit to the KEENE HOUSING AUTHORITY at the time of admission. The amount of the security deposit will be equal to the family's total tenant payment at the time of move-in, and must be paid in full prior to occupancy.

The KEENE HOUSING AUTHORITY will hold the security deposit for the period the family occupies the unit. The KEENE HOUSING AUTHORITY will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 30 days of move-out, the KEENE HOUSING AUTHORITY will refund to the resident the amount of the security deposit (including interest earned on the security deposit), less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The KEENE HOUSING AUTHORITY will provide the resident with a written list of any charges against the security deposit within 30 days of the move-out inspection. If the resident disagrees with the amount charged, the KEENE HOUSING AUTHORITY will provide a meeting to discuss the charges.

If the resident transfers to another unit, the KEENE HOUSING AUTHORITY will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

## 8-I.F. PAYMENTS UNDER THE LEASE

### Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the KEENE HOUSING AUTHORITY in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the KEENE HOUSING AUTHORITY must give written notice stating any change in the amount of tenant rent and when the change is effective.

KEENE HOUSING AUTHORITY Policy

The tenant rent is due and payable at the KEENE HOUSING AUTHORITY-designated location on the first of every month. If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's tenant rent changes, the KEENE HOUSING AUTHORITY will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

**Late Fees and Nonpayment**

At the option of the KEENE HOUSING AUTHORITY, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the KEENE HOUSING AUTHORITY gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the KEENE HOUSING AUTHORITY grievance procedures. The KEENE HOUSING AUTHORITY must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

KEENE HOUSING AUTHORITY Policy

If the family fails to pay their rent by the fifth day of the month, and the KEENE HOUSING AUTHORITY has not agreed to accept payment at a later date, a 14 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of $15.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the KEENE HOUSING AUTHORITY may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of $25.00 will be charged to the family. The fee will be due and payable 14 days after billing.

**Excess Utility Charges**

If the KEENE HOUSING AUTHORITY charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the KEENE HOUSING AUTHORITY gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the KEENE HOUSING AUTHORITY grievance procedures. The KEENE HOUSING AUTHORITY must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority does not charge for excess utility charges.

**Maintenance and Damage Charges**

If the KEENE HOUSING AUTHORITY charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until 30 days after the KEENE HOUSING AUTHORITY gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the KEENE HOUSING AUTHORITY grievance procedures. The KEENE HOUSING AUTHORITY must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

KEENE HOUSING AUTHORITY Policy

When applicable, families will be charged for maintenance and/or damages according to the KEENE HOUSING AUTHORITY's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the KEENE HOUSING AUTHORITY may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

## PART II: INSPECTIONS

### 8-II.A. OVERVIEW

HUD rules require the KEENE HOUSING AUTHORITY to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the KEENE HOUSING AUTHORITY may require additional inspections, in accordance with KEENE HOUSING AUTHORITY Policy. This part contains the KEENE HOUSING AUTHORITY's policies governing inspections, notification of unit entry, and inspection results.

### 8-II.B. TYPES OF INSPECTIONS

**Move-In Inspections [24 CFR 966.4(i)]**

The lease must require the KEENE HOUSING AUTHORITY and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the KEENE HOUSING AUTHORITY and the resident, must be provided to the tenant and be kept in the resident file.

KEENE HOUSING AUTHORITY Policy

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

**Move-Out Inspections [24 CFR 966.4(i)]**

The KEENE HOUSING AUTHORITY must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the KEENE HOUSING AUTHORITY. The KEENE HOUSING AUTHORITY must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

KEENE HOUSING AUTHORITY Policy

When applicable, the KEENE HOUSING AUTHORITY will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 30 days of conducting the move-out inspection.

**Annual Inspections**

Under the Public Housing Assessment System (KEENE HOUSING AUTHORITYS), the KEENE HOUSING AUTHORITY is required to inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS) [24 CFR 902.43(a)(4)].

**Quality Control Inspections**

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

KEENE HOUSING AUTHORITY Policy

Supervisory quality control inspections will be conducted in accordance with the KEENE HOUSING AUTHORITY's maintenance plan.

**Special Inspections**

KEENE HOUSING AUTHORITY Policy

KEENE HOUSING AUTHORITY staff may conduct a special inspection for any of the following reasons:

Housekeeping

Unit condition

Suspected lease violation

Preventive maintenance

Routine maintenance

There is reasonable cause to believe an emergency exists

**Other Inspections**

KEENE HOUSING AUTHORITY Policy

Building exteriors, grounds, common areas and systems will be inspected according to the KEENE HOUSING AUTHORITY's maintenance plan.

## 8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS

### Notice of Entry

*Non-emergency Entries [24 CFR 966.4(j)(1)]*

The KEENE HOUSING AUTHORITY may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the KEENE HOUSING AUTHORITY entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the resident in writing at least 24 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least 1 week written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the KEENE HOUSING AUTHORITY to enter the unit.

*Emergency Entries [24 CFR 966.4(j)(2)]*

The KEENE HOUSING AUTHORITY may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the KEENE HOUSING AUTHORITY must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

### Scheduling of Inspections

KEENE HOUSING AUTHORITY Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the KEENE HOUSING AUTHORITY at least 24 hours prior to the scheduled inspection. The KEENE HOUSING AUTHORITY will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The KEENE HOUSING AUTHORITY may request verification of such cause.

### Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

KEENE HOUSING AUTHORITY Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

If no one is at home, the inspector will enter the unit, conduct the inspection and leave a copy of the inspection report in the unit.

## 8-II.D. INSPECTION RESULTS

The KEENE HOUSING AUTHORITY is obligated to maintain dwelling units and the project in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

### Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the KEENE HOUSING AUTHORITY of the damage, and the KEENE HOUSING AUTHORITY must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the KEENE HOUSING AUTHORITY must charge the family for the reasonable cost of repairs. The KEENE HOUSING AUTHORITY may also take lease enforcement action against the family.

If the KEENE HOUSING AUTHORITY cannot make repairs quickly, the KEENE HOUSING AUTHORITY must offer the family standard alternative accommodations. If the KEENE HOUSING AUTHORITY can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

KEENE HOUSING AUTHORITY Policy

When conditions in the unit are hazardous to life, health, or safety, the KEENE HOUSING AUTHORITY will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

Inoperable smoke detectors

**Non-emergency Repairs**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will correct non-life threatening health and safety defects within 15 business days of the inspection date. If the KEENE HOUSING AUTHORITY is unable to make repairs within that period due to circumstances beyond the KEENE HOUSING AUTHORITY's control (e.g. required parts or services are not available, weather conditions, etc.) the KEENE HOUSING AUTHORITY will notify the family of an estimated date of completion.

The family must allow the KEENE HOUSING AUTHORITY access to the unit to make repairs.

**Resident-Caused Damages**

KEENE HOUSING AUTHORITY Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.G., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

***Housekeeping***

KEENE HOUSING AUTHORITY Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the KEENE HOUSING AUTHORITY will provide proper notice of a lease violation.

A reinspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.

## Chapter 9

## REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

### INTRODUCTION

The KEENE HOUSING AUTHORITY is required to monitor each family's income and composition over time, and to adjust the family's rent accordingly. KEENE HOUSING AUTHORITYs must adopt policies concerning the conduct of annual and interim reexaminations that are consistent with regulatory requirements and the Keene Housing Authority Moving to Work Agreement, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the KEENE HOUSING AUTHORITY must reexamine income for a family depends on whether the family pays income-based or step rent. The KEENE HOUSING AUTHORITY's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are every 3 years and during the two interim years, self-certificatons are completed by the tenant and used to adjust rents.

Part II: Reexaminations for Families Paying Step Rents. This part contains the KEENE HOUSING AUTHORITY's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. Self-Certifications are completed during the interim years by the tenant. Rent is not recalculated based on reexaminations since the rent is not based on income. This part also contains the KEENE HOUSING AUTHORITY's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and KEENE HOUSING AUTHORITY policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the KEENE HOUSING AUTHORITY must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

## PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS [24 CFR 960.257]

### 9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the KEENE HOUSING AUTHORITY must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. The KEENE HOUSING AUTHORITY will conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years as stated in its Moving to Work Waiver. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point to determine the need for lease enforcement or eviction.

The KEENE HOUSING AUTHORITY is required to obtain information needed to conduct reexaminations. How that information will be collected is left to the discretion of the KEENE HOUSING AUTHORITY. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the KEENE HOUSING AUTHORITY's policies for conducting annual reexaminations.

### 9-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The KEENE HOUSING AUTHORITY must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within the required time frame. Annual reexaminations are conducted every three years for income based families and tenants are required to complete a self-certification during the interim years. [24 CFR 960.257(a)(1)].

KEENE HOUSING AUTHORITY Policy

Generally, the KEENE HOUSING AUTHORITY will schedule annual reexaminations to coincide with the family's anniversary date. The KEENE HOUSING AUTHORITY will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

*Anniversary date* is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the KEENE HOUSING AUTHORITY will perform a new annual reexamination, and the anniversary date will be changed.

The KEENE HOUSING AUTHORITY may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

**Notification of and Participation in the Annual Reexamination Process**

The KEENE HOUSING AUTHORITY is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the KEENE HOUSING AUTHORITY.

KEENE HOUSING AUTHORITY Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the KEENE HOUSING AUTHORITY to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the KEENE HOUSING AUTHORITY in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the KEENE HOUSING AUTHORITY will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without KEENE HOUSING AUTHORITY approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

## 9-I.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

KEENE HOUSING AUTHORITY Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a KEENE HOUSING AUTHORITY-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

**Change in Unit Size**

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The KEENE HOUSING AUTHORITY may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

## 9-I.D. EFFECTIVE DATES

As part of the annual reexamination process, the KEENE HOUSING AUTHORITY must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

KEENE HOUSING AUTHORITY Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the KEENE HOUSING AUTHORITY chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the KEENE HOUSING AUTHORITY, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the KEENE HOUSING AUTHORITY chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the KEENE HOUSING AUTHORITY.

If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the KEENE HOUSING AUTHORITY by the date specified, and this delay prevents the KEENE HOUSING AUTHORITY from completing the reexamination as scheduled.

## PART II: REEXAMINATIONS FOR FAMILIES PAYING Spectrum Step Rents

## [24 CFR 960.257(2)]

### 9-II.A. OVERVIEW

The KEENE HOUSING AUTHORITY's policies for offering families a choice of rents are located in Chapter 6.

All families, regardless of the method of rent calculation being used, the KEENE HOUSING AUTHORITY will conduct a reexamination of family income at least once every 3 years. During the interim years, The Keene Housing Authority will ask the tenant to self-certify the income received and rent will be re-calculated for tenants whose rent is calculated using the income based method based on the information reported on the self-certification by the tenant. If there are any discrepancies or the information is ambiguous, Keene Housing Authority staff may use hand delivered documents or 3rd party documentation to clarify the discrepancy.

This part contains the KEENE HOUSING AUTHORITY's policies for conducting reexaminations of families who pay step rents.

### 9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

**Frequency of Reexamination**

KEENE HOUSING AUTHORITY Policy

For all public housing families, regardless of rent calculation method, the KEENE HOUSING AUTHORITY will conduct a full reexamination of family income and composition once every 3 years.

**Reexamination Policies**

KEENE HOUSING AUTHORITY Policy

In conducting full reexaminations for families step rents, the KEENE HOUSING AUTHORITY will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

## 9-II.C. REEXAMINATION OF FAMILY COMPOSITION ("ANNUAL UPDATE")

As noted above, full reexaminations are conducted every 3 years for all public housing households. In the years between full reexaminations, the Moving to Work Waiver requires the KEENE HOUSING AUTHORITY to conduct self-certifications as noted in the Keene Housing Authority's Moving to Work Agreement Addendum.

The self-certification process is similar to the annual reexamination process, except that the tenant self-certifies information about their income, assets and expenses. The family's rent is recalculated based on the information reported on the self-certification. If any information is ambiguous or unclear, other verification sources such as hand delivered documents, EIV or 3rd part verification may be used.

### Scheduling

The KEENE HOUSING AUTHORITY must establish a policy to ensure that the reexamination of family composition for families paying the step rent is completed every three years and self-certifications are conducted during the interim years. [24 CFR 960.257(a)(2)].

KEENE HOUSING AUTHORITY Policy

For families paying step rents, self-certifications will be conducted in each of the 2 years following the full reexamination.

In scheduling the self-certification, the KEENE HOUSING AUTHORITY will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

### Conducting Self-Certifications

The terms of the public housing lease requires the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

KEENE HOUSING AUTHORITY Policy

Generally, the family will not be required to attend an interview for a self-certification. However, if the KEENE HOUSING AUTHORITY determines that an interview is warranted, the family may be required to attend.

Notification of the self-certification will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the KEENE HOUSING AUTHORITY. The family will have 10 business days to submit the required information to the KEENE HOUSING AUTHORITY. If the family is unable to obtain the information or documents within the required time frame, the family may request an

extension. The KEENE HOUSING AUTHORITY will accept required documentation by mail, by fax, or in person.

If the family's submission is incomplete, or the family does not submit the information in the required time frame, the KEENE HOUSING AUTHORITY will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to the KEENE HOUSING AUTHORITY.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

***Change in Unit Size***

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The KEENE HOUSING AUTHORITY may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

***Compliance with Resident Self-Reliance Program***

For families paying the step rent and are required to participate in the Resident Self-Reliance program, the Keene Housing Authority must determine compliance with Resident Self-Reliance program requirements at least annually.

## PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

### 9-III.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and KEENE HOUSING AUTHORITY policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the KEENE HOUSING AUTHORITY must process interim reexaminations to reflect those changes. HUD regulations also permit the KEENE HOUSING AUTHORITY to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The KEENE HOUSING AUTHORITY must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and KEENE HOUSING AUTHORITY policies describing what changes families are required to report, what changes families may choose to report, and how the KEENE HOUSING AUTHORITY will process both KEENE HOUSING AUTHORITY- and family-initiated interim reexaminations.

### 9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The KEENE HOUSING AUTHORITY must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the KEENE HOUSING AUTHORITY has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

KEENE HOUSING AUTHORITY Policy

All families, those paying income-based rent as well as step rents, must report all changes in family and household composition that occur within 10 business days.

The KEENE HOUSING AUTHORITY will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations. Only the reported change needs to be verified using 3rd party verification.

**New Family Members Not Requiring Approval**

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require KEENE HOUSING AUTHORITY approval. However, the family is required to promptly notify the KEENE HOUSING AUTHORITY of the addition [24 CFR 966.4(a)(1)(v)].

KEENE HOUSING AUTHORITY Policy

The family must inform the KEENE HOUSING AUTHORITY of the birth, adoption or court-awarded custody of a child within 10 business days.

**New Family and Household Members Requiring Approval**

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request KEENE HOUSING AUTHORITY approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The KEENE HOUSING AUTHORITY may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which KEENE HOUSING AUTHORITY consent will be given or denied. Under such policies, the factors considered by the KEENE HOUSING AUTHORITY may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The KEENE HOUSING AUTHORITY 's obligation to make reasonable accommodation for handicapped persons.

KEENE HOUSING AUTHORITY Policy

Families must request KEENE HOUSING AUTHORITY approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the KEENE HOUSING AUTHORITY prior to the individual moving into the unit.

The KEENE HOUSING AUTHORITY will not approve the addition of a new family or household member unless the individual meets the KEENE HOUSING AUTHORITY's eligibility criteria (see Chapter 3).

If the KEENE HOUSING AUTHORITY determines that an individual does not meet the KEENE HOUSING AUTHORITY's eligibility criteria as defined in Chapter 3, the KEENE HOUSING AUTHORITY will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The KEENE HOUSING AUTHORITY will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

**Departure of a Family or Household Member**

KEENE HOUSING AUTHORITY Policy

If a family member ceases to reside in the unit, the family must inform the KEENE HOUSING AUTHORITY within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the KEENE HOUSING AUTHORITY within 10 business days.

## 9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations will be conducted only during the following circumstances for families whose rent is calculated using the income based method of rent calculation:

- Household composition changes
- $50 or more decrease in monthly gross income

KEENE HOUSING AUTHORITY Policy

This section only applies to families paying income-based rent. Families paying step rents are not required to report changes in income or expenses nor will their rent be adjusted due to changes in income unless they are accepted into the Safety Net program.

### KEENE HOUSING AUTHORITY-initiated Interim Reexaminations

KEENE HOUSING AUTHORITY-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the KEENE HOUSING AUTHORITY. They are not scheduled because of changes reported by the family.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will conduct interim reexaminations in each of the following instances:

If the family has reported zero income, the KEENE HOUSING AUTHORITY will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the KEENE HOUSING AUTHORITY will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the KEENE HOUSING AUTHORITY will conduct an interim reexamination.

The KEENE HOUSING AUTHORITY may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

**Family-Initiated Interim Reexaminations**

The KEENE HOUSING AUTHORITY must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

***Required Reporting***

HUD regulations give the KEENE HOUSING AUTHORITY the freedom to determine the circumstances under which families will be required to report changes affecting income.

KEENE HOUSING AUTHORITY Policy

Families are required to report all increases in income, including new employment, at their annual certification, self-certification or when an interim or Safety Net has been requested.

Families are not required to report any other changes in income or expenses.

***Optional Reporting***

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The KEENE HOUSING AUTHORITY must process the request if the family reports a change that will result in a decrease in gross family income of $50 or more [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

KEENE HOUSING AUTHORITY Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the KEENE HOUSING AUTHORITY will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a $50 decrease in gross family income, the KEENE HOUSING AUTHORITY will conduct an interim reexamination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

## 9-III.D. PROCESSING THE INTERIM REEXAMINATION

### Method of Reporting

KEENE HOUSING AUTHORITY Policy

The family may notify the KEENE HOUSING AUTHORITY of changes either orally or in writing. If the family provides oral notice, the KEENE HOUSING AUTHORITY may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the KEENE HOUSING AUTHORITY determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the KEENE HOUSING AUTHORITY will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the KEENE HOUSING AUTHORITY. This time frame may be extended for good cause with KEENE HOUSING AUTHORITY approval. The KEENE HOUSING AUTHORITY will accept required documentation by mail, by fax, or in person.

### Effective Dates

The KEENE HOUSING AUTHORITY must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

KEENE HOUSING AUTHORITY Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified

until after the date the change would have become effective, the change will be made retroactively.

## PART IV: RECALCULATING TENANT RENT

### 9-IV.A. OVERVIEW

For those families paying income-based rent, the KEENE HOUSING AUTHORITY must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

### 9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the KEENE HOUSING AUTHORITY's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

KEENE HOUSING AUTHORITY Policy

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

### 9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the KEENE HOUSING AUTHORITY to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the KEENE HOUSING AUTHORITY redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the KEENE HOUSING AUTHORITY 's schedule of Utility Allowances for families in the KEENE HOUSING AUTHORITY 's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the KEENE HOUSING AUTHORITY must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the KEENE HOUSING AUTHORITY determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the KEENE HOUSING AUTHORITY's grievance procedure [24 CFR 966.4(c)(4)].

KEENE HOUSING AUTHORITY Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

## 9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the KEENE HOUSING AUTHORITY may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the KEENE HOUSING AUTHORITY may discover errors made by the KEENE HOUSING AUTHORITY. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

## Chapter 10

## PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

### INTRODUCTION

This chapter explains the KEENE HOUSING AUTHORITY's policies on the keeping of pets and any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the KEENE HOUSING AUTHORITY to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the KEENE HOUSING AUTHORITY.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals and pets and contains policies related to the designation of an assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

## PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303]

### 10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal may be denied, and also establishes standards for the care of assistance animals.

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as "service animals," "assistive animals," "support animals," or "therapy animals" – perform many disability-related functions, including but not limited to the following:

- Guiding individuals who are blind or have low vision
- Alerting individuals who are deaf or hearing impaired
- Providing minimal protection or rescue assistance
- Pulling a wheelchair
- Fetching items
- Alerting persons to impending seizures
- Providing emotional support to persons with disabilities who have a disability-related need for such support

Assistance animals that are needed as a reasonable accommodation for persons with disabilities are not considered pets, and thus, are not subject to the KEENE HOUSING AUTHORITY's pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705].

## 10-I.B. APPROVAL OF ASSISTANCE ANIMALS

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A KEENE HOUSING AUTHORITY may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A KEENE HOUSING AUTHORITY's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

KEENE HOUSING AUTHORITYs have the authority to regulate assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

KEENE HOUSING AUTHORITY Policy

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and the KEENE HOUSING AUTHORITY approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

## 10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a PHA may have to regulate assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

KEENE HOUSING AUTHORITY Policy

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the KEENE HOUSING AUTHORITY will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the KEENE HOUSING AUTHORITY determines that no such accommodation can be made, the KEENE HOUSING AUTHORITY may withdraw the approval of a particular assistance animal.

## PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

### 10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

### 10-II.B. MANAGEMENT APPROVAL OF PETS

**Registration of Pets**

KEENE HOUSING AUTHORITYs may require registration of the pet with the KEENE HOUSING AUTHORITY [24 CFR 960.707(b)(5)].

KEENE HOUSING AUTHORITY Policy

Pets must be approved and registered with the KEENE HOUSING AUTHORITY before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

**Refusal to Register Pets**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The KEENE HOUSING AUTHORITY reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the KEENE HOUSING AUTHORITY refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the KEENE HOUSING AUTHORITY's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the KEENE HOUSING AUTHORITY's grievance procedures.

**Pet Agreement**

KEENE HOUSING AUTHORITY Policy

Residents who have been approved to have a pet must enter into a pet agreement with the KEENE HOUSING AUTHORITY, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the KEENE HOUSING AUTHORITY's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the KEENE HOUSING AUTHORITY's pet policy and applicable house rules may result in the withdrawal of KEENE HOUSING AUTHORITY approval of the pet or termination of tenancy.

## 10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

KEENE HOUSING AUTHORITYs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the KEENE HOUSING AUTHORITY classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

KEENE HOUSING AUTHORITY's may not require pet owners to have any pet's vocal cords removed.

**Definition of "Common Household Pet"**

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize KEENE HOUSING AUTHORITYs to define the term [24 CFR 5.306(2)].

KEENE HOUSING AUTHORITY Policy

*Common household pet* means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

Reptiles

Rodents

Insects

Arachnids

Wild animals or feral animals

Pot-bellied pigs

Animals used for commercial breeding

**Pet Restrictions**

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority will allow only common household pets as listed on the Pet Request Form. If this definition conflicts with a state or local law or regulation, the state or local law or regulation shall govern.
The Keene Housing Authority will allow only common household pets as listed on the Pet Request Form.

- No animal may exceed 30 pounds at adult size.
- All cats or dogs must be spayed or neutered. A licensed veterinarian must verify this fact.
- Any animal deemed to be potentially harmful to the health or safety of others will not be allowed.

The following animals are not permitted:

Any animal whose adult weight will exceed 30 pounds

Dogs of the pit bull, rottweiler, chow, or boxer breeds (Dogs are prohibited at Family Public Housing sites.)

Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations

Any animal not permitted under state or local law or code

**Number of Pets**

KEENE HOUSING AUTHORITY Policy

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 10 gallons. Such a tank or aquarium will be counted as 1 pet.

- 2 bedrooms and larger are allowed to have 1 cat and 2 caged animals.
- 1 bedrooms are allowed to have 1 cat and 1 caged animal.
- 0 bedrooms are allowed a cat or a caged animal. They cannot have both.
- Only one cat is permitted in an apartment.
- Aquariums: No more than two reptiles per aquarium.
- Caged pets with no more than two animals in the cage.

**Other Requirements**

KEENE HOUSING AUTHORITY Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be

made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

## 10-II.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with KEENE HOUSING AUTHORITY policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

### Pet Area Restrictions

KEENE HOUSING AUTHORITY Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

### Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

KEENE HOUSING AUTHORITYs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

KEENE HOUSING AUTHORITYs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The KEENE HOUSING AUTHORITY may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The KEENE HOUSING AUTHORITY may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

KEENE HOUSING AUTHORITYs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

KEENE HOUSING AUTHORITY Policy

With the exception of common areas as described in the previous policy, the KEENE HOUSING AUTHORITY has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the KEENE HOUSING AUTHORITY has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

**Cleanliness**

KEENE HOUSING AUTHORITY Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the KEENE HOUSING AUTHORITY.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

**Alterations to Unit**

KEENE HOUSING AUTHORITY Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

**Noise**

KEENE HOUSING AUTHORITY Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

**Pet Care**

KEENE HOUSING AUTHORITY Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage KEENE HOUSING AUTHORITY property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

**Responsible Parties**

KEENE HOUSING AUTHORITY Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the KEENE HOUSING AUTHORITY and sign a statement that they agree to abide by all of the pet rules.

**Pets Temporarily on the Premises**

KEENE HOUSING AUTHORITY Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the KEENE HOUSING AUTHORITY.

**Pet Rule Violations**

KEENE HOUSING AUTHORITY Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

**Notice for Pet Removal**

KEENE HOUSING AUTHORITY Policy

If the pet owner and the KEENE HOUSING AUTHORITY are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the KEENE HOUSING AUTHORITY's determination of the pet rule that has been violated

The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

**Pet Removal**

KEENE HOUSING AUTHORITY Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the KEENE HOUSING AUTHORITY after reasonable efforts cannot contact the responsible party, the KEENE HOUSING AUTHORITY may contact the appropriate state or local agency and request the removal of the pet.

**Termination of Tenancy**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

**Emergencies**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the KEENE HOUSING AUTHORITY to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

## PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

### 10-III.A. OVERVIEW

This part describes the KEENE HOUSING AUTHORITY's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

### 10-III.B. PET DEPOSITS

**Payment of Deposit**

The KEENE HOUSING AUTHORITY may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a KEENE HOUSING AUTHORITY on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the KEENE HOUSING AUTHORITY may require. The KEENE HOUSING AUTHORITY may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

KEENE HOUSING AUTHORITY Policy

Pet owners are not required to pay a pet deposit.

### 10-III.C. OTHER CHARGES

**Pet-Related Damages During Occupancy**

KEENE HOUSING AUTHORITY Policy

All reasonable expenses incurred by the KEENE HOUSING AUTHORITY as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Chapter 11

# Resident Self-Reliance Program Compliance

## INTRODUCTION

This chapter explains the compliance procedures for the Resident Self-Reliance Program. Since participation in the Resident Self-Reliance Program, a component of the Keene Housing Authority's Moving to Work Program, is a requirement for all public housing families with the exception of elderly and disabled families, the Keene Housing Authority does not include a community service requirement for it's tenants.

## 11-I.A. OVERVIEW

### Compliance with the Resident Self-Reliance Program (RSR)

Participants in the RSR Program must have complied with all requirements of the Lease Addendum for the RSR Housing Program. Rents will be increased to the full fair market rate for tenants who have failed to comply with the RSR program. They will be notified 30 days in advance of such a rent increase and are entitled to request an informal hearing.

In order to remain in compliance with RSR, tenants must follow and meet the terms of the required activities as stated on the RSR Lease Addendum:

1. Complete a financial plan
2. Attend quarterly goal setting meetings
3. Complete required skill development activities
4. Make reasonable progress toward goals

Failure to fulfill theses obligations at any point could result in non-compliance with RSR and initiate the rent increase to the fair market rent.

Compliance will be assessed on a quarterly basis and notification will be sent within a 30 day period of the quarter ending notifying the tenant of their non-compliance, stating the reasons for non-compliance and the required activities that must be completed within a specified time frame in order to remain in compliance. If a tenant receives 3 non-compliance notices within a calendar year, their rent will be increased to the fair market rent with a 30 day notice.

If a family takes the required corrective actions within 30 days of their rent increasing the fair market rent, then their rent will be returned to the step rent level previous to the rent increase. If they fail to take corrective action within the required 30 days, their rent will remain at the Fair Market Rent for the remainder of their tenancy.

## Chapter 12

## TRANSFER POLICY

### INTRODUCTION

This chapter explains the KEENE HOUSING AUTHORITY's transfer policy, based on HUD regulations, HUD guidance, and KEENE HOUSING AUTHORITY policy decisions.

This chapter describes HUD regulations and KEENE HOUSING AUTHORITY policies related to transfers in four parts:

Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.

Part II: KEENE HOUSING AUTHORITY Required Transfers. This part describes types of transfers that may be required by the KEENE HOUSING AUTHORITY, notice requirements, and payment of transfer costs.

Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.

Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The KEENE HOUSING AUTHORITY may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The KEENE HOUSING AUTHORITY must have specific policies in place to deal with acceptable transfer requests.

## PART I: EMERGENCY TRANSFERS

### 12-I.A. OVERVIEW

HUD categorizes certain actions as emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the KEENE HOUSING AUTHORITY.

In the case of a genuine emergency, it may be unlikely that the KEENE HOUSING AUTHORITY will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the KEENE HOUSING AUTHORITY should find alternate accommodations for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit, is reached.

## 12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the KEENE HOUSING AUTHORITY must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

KEENE HOUSING AUTHORITY Policy

The following is considered an emergency circumstance warranting an immediate transfer of the tenant or family:

> Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak; no heat in the building during the winter; no water; toxic contamination; and serious water leaks.

## 12-I.C. EMERGENCY TRANSFER PROCEDURES

KEENE HOUSING AUTHORITY Policy

If the transfer is necessary because of maintenance conditions, and an appropriate unit is not immediately available, the KEENE HOUSING AUTHORITY will provide temporary accommodations to the tenant by arranging for temporary lodging at a hotel or similar location. If the conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the KEENE HOUSING AUTHORITY will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers are mandatory for the tenant.

## 12-I.D. COSTS OF TRANSFER

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will bear the reasonable costs of temporarily accommodating the tenant and of long term transfers, if any, due to emergency conditions.

The reasonable cost of transfers includes the cost of packing, moving, and unloading.

The KEENE HOUSING AUTHORITY will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical

costs, the KEENE HOUSING AUTHORITY will collect information from companies in the community that provide these services.

The KEENE HOUSING AUTHORITY will reimburse the family for eligible out-of-pocket moving expenses up to the KEENE HOUSING AUTHORITY's established moving allowance.

## *PART II: KEENE HOUSING AUTHORITY REQUIRED TRANSFERS*

### 12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the KEENE HOUSING AUTHORITY to develop reasonable transfer policies.

The KEENE HOUSING AUTHORITY may require that a resident transfer to another unit under some circumstances. For example, the KEENE HOUSING AUTHORITY may require a resident to transfer to make an accessible unit available to a disabled family. The KEENE HOUSING AUTHORITY may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a KEENE HOUSING AUTHORITY may transfer residents in order to demolish or renovate the unit.

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

### 12-II.B. TYPES OF KEENE HOUSING AUTHORITY REQUIRED TRANSFERS

KEENE HOUSING AUTHORITY Policy

The types of transfers that may be required by the KEENE HOUSING AUTHORITY, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the KEENE HOUSING AUTHORITY are mandatory for the tenant.

**Transfers to Make an Accessible Unit Available**

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

KEENE HOUSING AUTHORITY Policy

When a non-accessible unit becomes available, the KEENE HOUSING AUTHORITY will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. The KEENE HOUSING AUTHORITY may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

**Occupancy Standards Transfers**

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

KEENE HOUSING AUTHORITY Policy

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

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

*Overcrowded*: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

*Over-housed:* the family no longer qualifies for the bedroom size in which they are living based on the KEENE HOUSING AUTHORITY's occupancy standards as described in Section 5-I.B.

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

The KEENE HOUSING AUTHORITY may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the KEENE HOUSING AUTHORITY that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

**Demolition, Disposition, Revitalizations, or Rehabilitation Transfers**

These transfers permit the KEENE HOUSING AUTHORITY to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The KEENE HOUSING AUTHORITY's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

## 12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

A KEENE HOUSING AUTHORITY required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the KEENE HOUSING AUTHORITY may not take action on the transfer until the conclusion of the grievance process.

## 12-II.D. COST OF TRANSFER

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will bear the reasonable costs of transfers that the KEENE HOUSING AUTHORITY requires.

The reasonable costs of transfers include the cost of packing, moving, and unloading.

The KEENE HOUSING AUTHORITY will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the KEENE HOUSING AUTHORITY will collect information from companies in the community that provide these services.

The KEENE HOUSING AUTHORITY will reimburse the family for eligible out-of-pocket moving expenses up to the KEENE HOUSING AUTHORITY's established moving allowance.

## PART III: TRANSFERS REQUESTED BY TENANTS

### 12-III.A. OVERVIEW

HUD provides the KEENE HOUSING AUTHORITY with discretion to consider transfer requests from tenants. The only requests that the KEENE HOUSING AUTHORITY is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the KEENE HOUSING AUTHORITY. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the KEENE HOUSING AUTHORITY.

Some transfers that are requested by tenants should be treated as higher priorities than others due to the more urgent need for the transfer.

### 12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS

KEENE HOUSING AUTHORITY Policy

The types of requests for transfers that the KEENE HOUSING AUTHORITY will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to the KEENE HOUSING AUTHORITY's occupancy standards, and transfers to a location closer to employment. No other transfer requests will be considered by the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the KEENE HOUSING AUTHORITY's discretion, include an assessment by law enforcement indicating a threat of criminal attack, potential retaliation for testimony, or where the tenant is a victim of a hate crime or domestic violence.

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The KEENE HOUSING AUTHORITY will consider the following as regular priority transfer requests:

When a family requests a larger bedroom size unit even though the family does not meet the KEENE HOUSING AUTHORITY's definition of overcrowded, as long as the family meets the KEENE HOUSING AUTHORITY's occupancy standards for the requested size unit

When the head of household or spouse is employed 25 miles or more from the public housing unit, has no reliable transportation, and public transportation is not adequate

Transfers requested by the tenant are considered optional for the tenant.

## 12-III.C. ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the KEENE HOUSING AUTHORITY may establish other standards for considering a transfer request [PH Occ GB, p. 150].

KEENE HOUSING AUTHORITY Policy

Except where reasonable accommodation is being requested, the KEENE HOUSING AUTHORITY will only consider transfer requests from residents that meet the following requirements:

Have not engaged in criminal activity that threatens the health and safety or residents and staff

Owe no back rent or other charges, or have a pattern of late payment

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the KEENE HOUSING AUTHORITY's advantage to make the transfer.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

## 12-III.D. SECURITY DEPOSITS

KEENE HOUSING AUTHORITY Policy

When a family transfers from one unit to another, the KEENE HOUSING AUTHORITY will transfer their security deposit to the new unit. The tenant will be billed for any maintenance or others charges due for the "old" unit.

## 12-III.E. COST OF TRANSFER

KEENE HOUSING AUTHORITY Policy

The resident will bear all of the costs of transfer s/he requests. However, in cases of documented financial hardship, the KEENE HOUSING AUTHORITY will consider assuming the transfer costs when the transfer is done as a reasonable accommodation.

## 12-III.F. HANDLING OF REQUESTS

KEENE HOUSING AUTHORITY Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In case of a reasonable accommodation transfer, the KEENE HOUSING AUTHORITY will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the KEENE HOUSING AUTHORITY will consider the transfer request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

The KEENE HOUSING AUTHORITY will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family.

If the family does not meet the "good record" requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The KEENE HOUSING AUTHORITY will respond within ten (10) business days of the submission of the family's request. If the KEENE HOUSING AUTHORITY denies the request for transfer, the family will be informed of its grievance rights.

## PART IV: TRANSFER PROCESSING

### 12-IV.A. OVERVIEW

Generally, transfers should be placed on a transfer list and handled in the appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience disparate treatment.

### 12-IV.B. TRANSFER LIST

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency will not be finally resolved by a temporary accommodation, and the resident requires a permanent transfer, that transfer will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers
2. Verified medical condition
3. Threat of harm or criminal activity
4. Reasonable accommodation
5. Transfer to make an accessible unit available
6. Demolition, renovation, etc.
7. Occupancy Standards
8. Other KEENE HOUSING AUTHORITY required transfers
9. Other tenant requested transfers

Within each category, transfers will be processed in order of the date the family was placed on the transfer list, starting with the earliest date.

Demolition and renovation transfers will gain the highest priority as necessary to allow the KEENE HOUSING AUTHORITY to meet the demolition or renovation schedule.

Transfers will take precedence over waiting list admissions.

## 12-IV.C. TRANSFER OFFER POLICY

KEENE HOUSING AUTHORITY Policy

Residents will receive one offer of a transfer.

When the transfer is required by the KEENE HOUSING AUTHORITY, refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, refusal of that offer without good cause will result in the removal of the household from the transfer list and the family must wait six months to reapply for another transfer.

Once the resident has been offered or required to transfer, they will have three business days to transfer to the new unit. Failure to do so will result in paying for additional occupancy days in their previously occupied unit.

## 12-IV.D. GOOD CAUSE FOR UNIT REFUSAL

KEENE HOUSING AUTHORITY Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Inaccessibility to source of employment, education, or job training, children's day care, or an educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.

The family demonstrates to the KEENE HOUSING AUTHORITY's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

The KEENE HOUSING AUTHORITY will require documentation of good cause for unit refusals.

## 12-IV.E. DECONCENTRATION

KEENE HOUSING AUTHORITY Policy

If subject to deconcentration requirements, the KEENE HOUSING AUTHORITY will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the KEENE HOUSING AUTHORITY's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

## 12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS

KEENE HOUSING AUTHORITY Policy

The reexamination date will be changed to the first of the month in which the transfer took place.

## Chapter 13

## LEASE TERMINATIONS

### INTRODUCTION

Either party in a lease agreement may terminate the lease under certain circumstances. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program, to assure that qualified families are provided decent, safe, and sanitary housing which is in good repair. The KEENE HOUSING AUTHORITY may terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations specify some reasons for which a KEENE HOUSING AUTHORITY can terminate a family's lease, and give KEENE HOUSING AUTHORITYs authority to determine other reasons.

When determining KEENE HOUSING AUTHORITY policy on terminations, state and local landlord-tenant laws must be considered, since such laws could vary from one location to another. These variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern both the family's and KEENE HOUSING AUTHORITY's termination of the lease. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the family's voluntary termination of the lease and the requirements the KEENE HOUSING AUTHORITY places upon families who wish to terminate their lease.

Part II: Termination by KEENE HOUSING AUTHORITY - Mandatory. This part describes the policies that govern how, and under what circumstances, a mandatory lease termination by the KEENE HOUSING AUTHORITY occurs. This part also includes nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by KEENE HOUSING AUTHORITY – Other Authorized Reasons. This part describes the KEENE HOUSING AUTHORITY's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes KEENE HOUSING AUTHORITYs to terminate. For some of these options HUD requires the KEENE HOUSING AUTHORITY to establish policies and lease provisions for termination, but termination is not mandatory. For other options the KEENE HOUSING

AUTHORITY has full discretion whether to consider the options as just cause to terminate as long as the KEENE HOUSING AUTHORITY policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the KEENE HOUSING AUTHORITY may consider in lieu of termination, and the criteria the KEENE HOUSING AUTHORITY will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and KEENE HOUSING AUTHORITY policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

## PART I: TERMINATION BY TENANT

### 13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the project office or the KEENE HOUSING AUTHORITY central office or sent by pre-paid first-class mail, properly addressed.

KEENE HOUSING AUTHORITY Policy

If a family desires to move and terminate their tenancy with the KEENE HOUSING AUTHORITY, they must give at least 30 calendar days advance written notice to the KEENE HOUSING AUTHORITY of their intent to vacate. When a family must give less than 30 days notice due to circumstances beyond their control the KEENE HOUSING AUTHORITY, at its discretion, may waive the 30 day requirement.

The notice of lease termination must be signed by the head of household, spouse, or cohead.

## PART II: TERMINATION BY KEENE HOUSING AUTHORITY – MANDATORY

### 13-II.A. OVERVIEW

HUD requires the KEENE HOUSING AUTHORITY to terminate the lease in certain circumstances. In other circumstances HUD requires the KEENE HOUSING AUTHORITY to establish provisions for lease termination, but it is still a KEENE HOUSING AUTHORITY option to determine, on a case-by-case basis, whether termination is warranted. For those tenant actions or failures to act where HUD requires termination, the KEENE HOUSING AUTHORITY has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the KEENE HOUSING AUTHORITY to terminate the lease.

### 13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The KEENE HOUSING AUTHORITY must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

### 13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The KEENE HOUSING AUTHORITY must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the KEENE HOUSING AUTHORITY, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

### 13-II.D. FAILURE TO PROVIDE SOCIAL SECURITY DOCUMENTATION [24 CFR 5.218(c) and 24 CFR 960.259(a)(3)]

The KEENE HOUSING AUTHORITY must terminate the lease if a resident family fails to provide the documentation or certification required for any family member who obtains a social security number, joins the family, or reaches 6 years of age. See Chapter 7 for a complete discussion of documentation and certification requirements.

## 13-II.E. FAILURE TO ACCEPT THE KEENE HOUSING AUTHORITY'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The KEENE HOUSING AUTHORITY must terminate the lease if the family fails to accept the KEENE HOUSING AUTHORITY's offer of a lease revision to an existing lease, provided the KEENE HOUSING AUTHORITY has done the following:

- The revision is on a form adopted by the KEENE HOUSING AUTHORITY in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The KEENE HOUSING AUTHORITY has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The KEENE HOUSING AUTHORITY has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to KEENE HOUSING AUTHORITY policies for offering lease revisions.

## 13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The KEENE HOUSING AUTHORITY must immediately terminate the lease if the KEENE HOUSING AUTHORITY determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

See Part 13-III.B. below for the HUD definition of *premises*.

## PART III: TERMINATION BY KEENE HOUSING AUTHORITY – OTHER AUTHORIZED REASONS

### 13-III.A. OVERVIEW

Besides requiring PHA's to terminate the lease under the circumstances described in Part II, HUD requires the KEENE HOUSING AUTHORITY to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require KEENE HOUSING AUTHORITYs to terminate for such violations in all cases. The KEENE HOUSING AUTHORITY has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the KEENE HOUSING AUTHORITY may, as an alternative to termination, require the exclusion of the culpable household member. The KEENE HOUSING AUTHORITY must make policy decisions concerning these options.

In addition, HUD authorizes KEENE HOUSING AUTHORITYs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or that are for other good cause. The KEENE HOUSING AUTHORITY must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the KEENE HOUSING AUTHORITY lease. In the development of the terms of the lease, the KEENE HOUSING AUTHORITY must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords KEENE HOUSING AUTHORITYs wide discretion in some areas, a broad range of policies could be acceptable.

The KEENE HOUSING AUTHORITY, with some restrictions, also has the option to terminate the tenancies of families who are over income.

The KEENE HOUSING AUTHORITY may consider alternatives to termination and must establish policies describing the criteria the KEENE HOUSING AUTHORITY will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the KEENE HOUSING AUTHORITY must take when terminating a family's lease.

## 13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require KEENE HOUSING AUTHORITYs to terminate for such violations in all cases, therefore KEENE HOUSING AUTHORITY policies are needed.

***Definitions* [24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

*Covered person* means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

*Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

*Guest* means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

*Household* means the family and KEENE HOUSING AUTHORITY-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

*Other person under the tenant's control* means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control.*

*Premises* means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

**Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]**

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The KEENE HOUSING AUTHORITY will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

**Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]**

The lease must provide that a KEENE HOUSING AUTHORITY may evict a family when the KEENE HOUSING AUTHORITY determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease when the KEENE HOUSING AUTHORITY determines that a household member is illegally using a drug or the KEENE HOUSING AUTHORITY determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous six months.

The KEENE HOUSING AUTHORITY will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

**Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]**

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including KEENE HOUSING AUTHORITY management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including KEENE HOUSING AUTHORITY management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

*Immediate vicinity* means within a three-block radius of the premises.

The KEENE HOUSING AUTHORITY will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

**Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]**

KEENE HOUSING AUTHORITYs must establish standards that allow termination of tenancy if the KEENE HOUSING AUTHORITY determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease if the KEENE HOUSING AUTHORITY determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous six months.

The KEENE HOUSING AUTHORITY will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

**Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]**

KEENE HOUSING AUTHORITYs must establish standards that allow termination of tenancy if the KEENE HOUSING AUTHORITY determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease if the KEENE HOUSING AUTHORITY determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The KEENE HOUSING AUTHORITY will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

**Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]**

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations, and grounds for termination.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Four late payments within a 12 month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the KEENE HOUSING AUTHORITY for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

## 13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes KEENE HOUSING AUTHORITYs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as "other good cause".

### Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the KEENE HOUSING AUTHORITY may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the KEENE HOUSING AUTHORITY to only those examples.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will terminate the lease for the following reasons.

*Fugitive Felon or Parole Violator.* If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

*Persons subject to sex offender registration requirement.* If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery after admission of facts that made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the KEENE HOUSING AUTHORITY to make determinations with respect to rent, eligibility, and the appropriateness of dwelling size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the KEENE HOUSING AUTHORITY that such a dwelling unit is available

Failure to permit access to the unit by the KEENE HOUSING AUTHORITY after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the KEENE HOUSING AUTHORITY of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 business days of the event.

Failure to abide by the provisions of the KEENE HOUSING AUTHORITY pet policy

If the family has breached the terms of a repayment agreement entered into with the KEENE HOUSING AUTHORITY

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward KEENE HOUSING AUTHORITY personnel.

> *Abusive or violent behavior towards KEENE HOUSING AUTHORITY personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
>
> *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate the lease, the KEENE HOUSING AUTHORITY will consider alternatives as described in Section 13-III.D and other factors described in Section 13-III.E. Upon consideration of such alternatives and factors, the KEENE HOUSING AUTHORITY may, on a case-by-case basis, choose not to terminate the lease.

***Family Absence from Unit [24 CFR 982.551(i)]***

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the KEENE HOUSING AUTHORITY needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

KEENE HOUSING AUTHORITY Policy

The family must supply any information or certification requested by the KEENE HOUSING AUTHORITY to verify that the family is living in the unit, or relating to family absence from the unit, including any KEENE HOUSING AUTHORITY-requested information or certification on the purposes of family absences. The family must cooperate with the KEENE HOUSING AUTHORITY for this purpose.

The family must promptly notify the KEENE HOUSING AUTHORITY when all family members will be absent from the unit for an extended period. An extended period is

defined as any period greater than 30 calendar days. In such a case promptly means within 10 business days of the start of the extended absence.

If a family is absent from the public housing unit for more than 180 consecutive days, and the family does not adequately verify that they are living in the unit, the KEENE HOUSING AUTHORITY will terminate the lease for other good cause.

*Abandonment.* If the family appears to have vacated the unit without giving proper notice, the KEENE HOUSING AUTHORITY will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the KEENE HOUSING AUTHORITY will secure the unit immediately to prevent vandalism and other criminal activity.

**Over-Income Families [24 CFR 960.261 and FR 11/26/04, p. 68786]**

Subject to certain restrictions, HUD authorizes KEENE HOUSING AUTHORITYs to evict or terminate the tenancies of families because they are over income. Unless required to do so by local law, the KEENE HOUSING AUTHORITY may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require KEENE HOUSING AUTHORITYs to evict over-income residents, but rather gives KEENE HOUSING AUTHORITYs the discretion to do so thereby making units available for applicants who are income-eligible.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not evict or terminate the tenancies of families solely because they are over income.

## 13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

**Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]**

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the KEENE HOUSING AUTHORITY may consider exclusion of the culpable household member. Such an alternative can be used, by KEENE HOUSING AUTHORITY policy, for any other reason where such a solution appears viable.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon KEENE HOUSING AUTHORITY request.

**Repayment of Family Debts**

KEENE HOUSING AUTHORITY Policy

If a family owes amounts to the KEENE HOUSING AUTHORITY, as a condition of continued occupancy, the KEENE HOUSING AUTHORITY will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving

notice from the KEENE HOUSING AUTHORITY of the amount owed. See Chapter 16 for policies on repayment agreements.

## 13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A KEENE HOUSING AUTHORITY that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

### Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the KEENE HOUSING AUTHORITY to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]**

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the KEENE HOUSING AUTHORITY may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will consider the following factors before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

The seriousness of the offending action, especially with respect to how it would affect other residents

The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor or a person with disabilities

The effects that the eviction will have on other family members who were not involved in the action or failure to act

The effect on the community of the termination, or of the KEENE HOUSING AUTHORITY's failure to terminate the tenancy

The effect of the KEENE HOUSING AUTHORITY's decision on the integrity of the public housing program

The demand for housing by eligible families who will adhere to lease responsibilities

The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future

**Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]**

HUD authorizes KEENE HOUSING AUTHORITYs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

KEENE HOUSING AUTHORITY Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the KEENE HOUSING AUTHORITY will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully.

For this purpose the KEENE HOUSING AUTHORITY will require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

**Reasonable Accommodation [24 CFR 966.7]**

If the family includes a person with disabilities, the KEENE HOUSING AUTHORITY's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

KEENE HOUSING AUTHORITY Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the KEENE HOUSING AUTHORITY will determine whether the behavior is related to the disability. If so, upon the family's request, the KEENE HOUSING AUTHORITY will determine whether alternative measures are appropriate as a reasonable accommodation. The KEENE HOUSING AUTHORITY will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter 2 for a discussion of reasonable accommodation.

**Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]**

The KEENE HOUSING AUTHORITY's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

## PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

### 13-IV.A. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

### 13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes KEENE HOUSING AUTHORITYs to conduct criminal records checks on public housing residents for lease enforcement and eviction. KEENE HOUSING AUTHORITY policy determines when the KEENE HOUSING AUTHORITY will conduct such checks.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will conduct criminal records checks when it has come to the attention of the KEENE HOUSING AUTHORITY, either from local law enforcement or by other means, that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The KEENE HOUSING AUTHORITY may not pass along to the tenant the costs of a criminal records check.

## 13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the KEENE HOUSING AUTHORITY uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the KEENE HOUSING AUTHORITY obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the KEENE HOUSING AUTHORITY must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

KEENE HOUSING AUTHORITY Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the KEENE HOUSING AUTHORITY will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 10 business days from the date of the KEENE HOUSING AUTHORITY notice, to dispute the accuracy and relevance of the information. If the family does not contact the KEENE HOUSING AUTHORITY to dispute the information within that 10 business day period, the KEENE HOUSING AUTHORITY will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

## 13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

### Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine KEENE HOUSING AUTHORITY documents directly relevant to the termination or eviction. If the KEENE HOUSING AUTHORITY does not make the documents available for examination upon request by the tenant, the KEENE HOUSING AUTHORITY may not proceed with the eviction [24 CFR 996.4(m)].

When the KEENE HOUSING AUTHORITY is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the KEENE HOUSING AUTHORITY's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the KEENE HOUSING AUTHORITY is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the KEENE HOUSING AUTHORITY for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the KEENE HOUSING AUTHORITY, or for a drug-related criminal activity on or off the premises.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. If such attempt fails, the notice will be sent by first class mail the same day.

**Timing of the Notice [24 CFR 966.4(l)(3)(i)]**

The KEENE HOUSING AUTHORITY must give written notice of lease termination of:

- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

  If the health or safety of other residents, KEENE HOUSING AUTHORITY employees, or persons residing in the immediate vicinity of the premises is threatened

  If any member of the household has engaged in any drug-related criminal activity or violent criminal activity

  If any member of the household has been convicted of a felony

- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

  KEENE HOUSING AUTHORITY Policy

  The KEENE HOUSING AUTHORITY will give written notice of 14 calendar days for nonpayment of rent. For all other lease terminations the KEENE HOUSING AUTHORITY will give 30 days written notice or, if state or local law allows less than 30 days, such shorter notice will be given.

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

**Non-Compliance with the Resident Self-Reliance Program**

When the KEENE HOUSING AUTHORITY finds that a family is in noncompliance with the Resident Self-Reliance Program, the tenant and any other noncompliant resident must be notified in writing of this determination. The notice will state the reasons for non-compliance, list the activities that must be completed by the tenant and state the tenant must comply with all terms of the RSR program within 30 days or their rent will increase to the fair market rent for Cheshire County. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

KEENE HOUSING AUTHORITY Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a rent increase notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E.

**Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]**

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the KEENE HOUSING AUTHORITY either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the KEENE HOUSING AUTHORITY's informal hearing procedures.

**13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]**

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The KEENE HOUSING AUTHORITY may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

KEENE HOUSING AUTHORITY Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the KEENE HOUSING AUTHORITY will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the KEENE HOUSING AUTHORITY will seek the assistance of the court to remove the family from the premises as per state and local law.

The KEENE HOUSING AUTHORITY may not proceed with an eviction action if the KEENE HOUSING AUTHORITY has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

## 13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the KEENE HOUSING AUTHORITY evicts an individual or family for criminal activity, including drug-related criminal activity, the KEENE HOUSING AUTHORITY must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

## 13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

KEENE HOUSING AUTHORITY Policy

A written record of every termination and/or eviction will be maintained by the KEENE HOUSING AUTHORITY at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

## Chapter 14

## GRIEVANCES AND APPEALS

### INTRODUCTION

This chapter discusses grievances and appeals pertaining to KEENE HOUSING AUTHORITY actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the KEENE HOUSING AUTHORITY's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure.

## PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

### 14-I.A. OVERVIEW

When the KEENE HOUSING AUTHORITY makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the KEENE HOUSING AUTHORITY policies necessary to respond to applicant appeals through the informal hearing process.

## 14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants in the KEENE HOUSING AUTHORITY grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide the applicant a means to hear the details of the reasons for rejection, and an opportunity to present evidence to the contrary if available, and to claim mitigating circumstances if possible.

### Use of Informal Hearing Process

While the KEENE HOUSING AUTHORITY must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the KEENE HOUSING AUTHORITY could make the informal hearing process available to applicants who wish to dispute other KEENE HOUSING AUTHORITY actions that adversely affect them.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will only offer informal hearings to applicants for the purpose of disputing denials of admission.

### Notice of Denial [24 CFR 960.208(a)]

The KEENE HOUSING AUTHORITY must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the KEENE HOUSING AUTHORITY decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.F. for details concerning this requirement.

**Scheduling an Informal Hearing**

KEENE HOUSING AUTHORITY Policy

A request for an informal hearing must be made in writing and delivered to the KEENE HOUSING AUTHORITY either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the KEENE HOUSING AUTHORITY's notification of denial of admission.

The KEENE HOUSING AUTHORITY must schedule and send written notice of the informal hearing within 10 business days of the family's request.

**Conducting an Informal Hearing [PH Occ GB, p. 58]**

KEENE HOUSING AUTHORITY Policy

The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the KEENE HOUSING AUTHORITY.

The person conducting the informal hearing will make a recommendation to the KEENE HOUSING AUTHORITY, but the KEENE HOUSING AUTHORITY is responsible for making the final decision as to whether admission should be granted or denied.

**Informal Hearing Decision [PH Occ GB, p. 58]**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the applicant of the KEENE HOUSING AUTHORITY's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the KEENE HOUSING AUTHORITY will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in KEENE HOUSING AUTHORITY policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The KEENE HOUSING AUTHORITY will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the KEENE HOUSING AUTHORITY will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the KEENE HOUSING AUTHORITY will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The KEENE HOUSING AUTHORITY will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

**Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]**

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the KEENE HOUSING AUTHORITY must consider such accommodations. The KEENE HOUSING AUTHORITY must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

## PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

### 14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the KEENE HOUSING AUTHORITY hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the KEENE HOUSING AUTHORITY informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

**Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the KEENE HOUSING AUTHORITY either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

**United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]**

When the KEENE HOUSING AUTHORITY receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the KEENE HOUSING AUTHORITY must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the KEENE HOUSING AUTHORITY with a copy of the written request for appeal and proof of mailing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the KEENE HOUSING AUTHORITY with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the KEENE HOUSING AUTHORITY, of its decision. When the USCIS notifies the KEENE HOUSING AUTHORITY of the decision, the KEENE HOUSING AUTHORITY must notify the family of its right to request an informal hearing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

**Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the KEENE HOUSING AUTHORITY provide a hearing. The request for a hearing must be made either within 30 days of receipt of the KEENE HOUSING AUTHORITY notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

*Informal Hearing Officer*

The KEENE HOUSING AUTHORITY must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

*Evidence*

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the KEENE HOUSING AUTHORITY pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

KEENE HOUSING AUTHORITY Policy

The family will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of KEENE HOUSING AUTHORITY documents no later than
12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the KEENE HOUSING AUTHORITY, and to confront and cross-examine all witnesses on whose testimony or information the KEENE HOUSING AUTHORITY relies.

*Representation and Interpretive Services*

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the KEENE HOUSING AUTHORITY, as may be agreed upon by the two parties. If

the family does not arrange for their own interpreter, the KEENE HOUSING AUTHORITY is still obligated to provide oral translation services in accordance with its LEP Plan.

***Recording of the Hearing***

The family is entitled to have the hearing recorded by audiotape. The KEENE HOUSING AUTHORITY may, but is not required to provide a transcript of the hearing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not provide a transcript of an audio taped informal hearing.

*Hearing Decision*

The KEENE HOUSING AUTHORITY must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

**Retention of Documents [24 CFR 5.514(h)]**

The KEENE HOUSING AUTHORITY must retain for a minimum of 5 years the following documents that may have been submitted to the KEENE HOUSING AUTHORITY by the family, or provided to the KEENE HOUSING AUTHORITY as part of the USCIS appeal or the KEENE HOUSING AUTHORITY informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

**Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the KEENE HOUSING AUTHORITY provide a hearing. The request for a hearing must be made either within 30 days of receipt of the KEENE HOUSING AUTHORITY notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

## PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

### 14-III.A. REQUIREMENTS [24 CFR 966.52]

KEENE HOUSING AUTHORITYs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any KEENE HOUSING AUTHORITY action or failure to act involving the lease or KEENE HOUSING AUTHORITY policies which adversely affect their rights, duties, welfare, or status.

The KEENE HOUSING AUTHORITY grievance procedure must be included in, or incorporated by reference in, the lease.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY grievance procedure will be incorporated by reference in the tenant lease.

The KEENE HOUSING AUTHORITY must provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the KEENE HOUSING AUTHORITY grievance procedure, and providing an opportunity to present written comments. Comments submitted must be considered by the KEENE HOUSING AUTHORITY before adoption of any grievance procedure changes by the KEENE HOUSING AUTHORITY.

KEENE HOUSING AUTHORITY Policy

Residents and resident organizations will have 30 calendar days from the date they are notified by the KEENE HOUSING AUTHORITY of any proposed changes in the KEENE HOUSING AUTHORITY grievance procedure, to submit written comments to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY must furnish a copy of the grievance procedure to each tenant and to resident organizations.

## 14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to KEENE HOUSING AUTHORITY action or failure to act in accordance with the individual tenant's lease or KEENE HOUSING AUTHORITY regulations which adversely affect the individual tenant's rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the KEENE HOUSING AUTHORITY or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
  - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
  - Right of the tenant to be represented by counsel
  - Opportunity for the tenant to refute the evidence presented by the KEENE HOUSING AUTHORITY including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
  - A decision on the merits
- **Hearing Officer/Panel** – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto
- **Tenant** – the adult person (or persons) (other than a live-in aide)
  - Who resides in the unit, and who executed the lease with the KEENE HOUSING AUTHORITY as lessee of the dwelling unit, or, if no such person now resides in the unit,
  - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

## 14-III.C. APPLICABILITY [24 CFR 966.51]

Potential grievances could address most aspects of a KEENE HOUSING AUTHORITY's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the KEENE HOUSING AUTHORITY. It is not applicable to disputes between tenants not involving the KEENE HOUSING AUTHORITY. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the KEENE HOUSING AUTHORITY.

If HUD has issued a due process determination, a KEENE HOUSING AUTHORITY may exclude from the KEENE HOUSING AUTHORITY grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the KEENE HOUSING AUTHORITY
- Any violent or drug-related criminal activity on or off such premises
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, KEENE HOUSING AUTHORITYs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, but may use expedited grievance procedures, as described in Section 14-III.E. below, to deal with the first two of the above three categories of lease terminations.

If HUD has issued a due process determination, the KEENE HOUSING AUTHORITY may evict through the state/local judicial eviction procedures. In this case, the KEENE HOUSING AUTHORITY is not required to provide the opportunity for a hearing under the KEENE HOUSING AUTHORITY's grievance procedure as described above.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY is not located in a due process state, therefore it must grant opportunity for grievance hearings for all lease terminations, regardless of cause.

See Chapter 13 for related policies on the content of termination notices.

## 14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the KEENE HOUSING AUTHORITY office or to the office of the project in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will accept requests for an informal settlement of a grievance either orally or in writing, to the KEENE HOUSING AUTHORITY office within 10 business days of the grievable event. Within 10 business days of receipt of the request the KEENE HOUSING AUTHORITY will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the KEENE HOUSING AUTHORITY will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the KEENE HOUSING AUTHORITY's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the KEENE HOUSING AUTHORITY's tenant file.

For KEENE HOUSING AUTHORITYs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

## 14-III.E. PROCEDURES TO OBTAIN A HEARING [24 CFR 966.55]

### Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]

All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a grievance hearing. However, if the complainant can show good cause for failure to proceed with the informal settlement process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)].

The complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.

KEENE HOUSING AUTHORITY Policy

The resident must submit a written request for a grievance hearing to the KEENE HOUSING AUTHORITY within 5 business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the KEENE HOUSING AUTHORITY's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the KEENE HOUSING AUTHORITY's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)].

### Escrow Deposits [24 CFR 966.55(e)]

Before a hearing is scheduled in any grievance involving the amount of rent that the KEENE HOUSING AUTHORITY claims is due, the family must pay an escrow deposit to the KEENE HOUSING AUTHORITY. When a family is required to make an escrow deposit, the amount is the amount of rent the KEENE HOUSING AUTHORITY states is due and payable as of the first of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel.

The KEENE HOUSING AUTHORITY must waive the requirement for an escrow deposit where the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income [24 CFR 5.630(b)(3)].

Unless the KEENE HOUSING AUTHORITY waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the KEENE HOUSING AUTHORITY's disposition of the grievance in any appropriate judicial proceeding.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.

**Scheduling of Hearings [24 CFR 966.55(f)]**

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the KEENE HOUSING AUTHORITY. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate KEENE HOUSING AUTHORITY official.

KEENE HOUSING AUTHORITY Policy

Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY may wish to permit the tenant to request to reschedule a hearing for good cause.

KEENE HOUSING AUTHORITY Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the KEENE HOUSING AUTHORITY may request documentation of the "good cause" prior to rescheduling the hearing.

**Expedited Grievance Procedure [24 CFR 966.55(g)]**

The KEENE HOUSING AUTHORITY may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the KEENE HOUSING AUTHORITY, or
- Any drug-related criminal activity on or near such premises

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The KEENE HOUSING AUTHORITY may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will follow expedited grievance procedures for any grievance concerning a termination of tenancy or eviction that involves any criminal

activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the KEENE HOUSING AUTHORITY, or any drug-related criminal activity on or near such premises.

Such procedures will provide for an expedited notice of hearing request, an expedited scheduling of the hearing, and for an expedited decision on the grievance. The tenant will have 3 business days to make their hearing request. The hearing officer will have 3 business days to schedule the hearing, and 3 business days to render a decision. All other aspects of the expedited grievance process shall be the same as for other grievances.

## 14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.55(b)]

The grievance hearing must be conducted by an impartial person or persons appointed by the KEENE HOUSING AUTHORITY, other than the person who made or approved the KEENE HOUSING AUTHORITY action under review, or a subordinate of such person.

KEENE HOUSING AUTHORITY Policy

KEENE HOUSING AUTHORITY grievance hearings will be conducted by a single hearing officer and not a panel.

The KEENE HOUSING AUTHORITY must determine the methodology for appointment of the hearing officer and it must be stated in the grievance procedure.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality.

The KEENE HOUSING AUTHORITY must consult with resident organizations before a person is appointed as a hearing officer or hearing panel member. Comments from the resident organizations must be considered before making the appointment.

## 14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

### Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any KEENE HOUSING AUTHORITY documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the KEENE HOUSING AUTHORITY does not make the document available for examination upon request by the complainant, the KEENE HOUSING AUTHORITY may not rely on such document at the grievance hearing.

  KEENE HOUSING AUTHORITY Policy

  The tenant will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of KEENE HOUSING AUTHORITY documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.

  KEENE HOUSING AUTHORITY Policy

  Hearings may be attended by the following applicable persons:

  A KEENE HOUSING AUTHORITY representative(s) and any witnesses for the KEENE HOUSING AUTHORITY

  The tenant and any witnesses for the tenant

  The tenant's counsel or other representative

  Any other person approved by the KEENE HOUSING AUTHORITY as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the KEENE HOUSING AUTHORITY or project management, and to confront and cross-examine all witnesses upon whose testimony or information the KEENE HOUSING AUTHORITY or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

### Decision without Hearing [24 CFR 966.56(c)]

The hearing officer/panel may render a decision without proceeding with the hearing if the hearing officer/panel determines that the issue has been previously decided in another proceeding.

**Failure to Appear [24 CFR 966.56(d)]**

If the complainant or the KEENE HOUSING AUTHORITY fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the KEENE HOUSING AUTHORITY must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the KEENE HOUSING AUTHORITY's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

KEENE HOUSING AUTHORITY Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the KEENE HOUSING AUTHORITY within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

"Good cause" is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

**General Procedures [24 CFR 966.56(e), (f), and (g)]**

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the KEENE HOUSING AUTHORITY must sustain the burden of justifying the KEENE HOUSING AUTHORITY action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing must be conducted informally by the hearing officer/panel. The KEENE HOUSING AUTHORITY and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint and question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].

KEENE HOUSING AUTHORITY Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence**: the testimony of witnesses

**Documentary evidence**: a writing which is relevant to the case, for example, a letter written to the KEENE HOUSING AUTHORITY. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence**: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence**: A tangible item relating directly to the case.

*Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the KEENE HOUSING AUTHORITY fails to comply with the discovery requirements (providing the tenant with the opportunity to examine KEENE HOUSING AUTHORITY documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the KEENE HOUSING AUTHORITY to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer/panel must require the KEENE HOUSING AUTHORITY, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion

from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate [24 CFR 966.56(f)].

The complainant or the KEENE HOUSING AUTHORITY may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(g)].

KEENE HOUSING AUTHORITY Policy

If the complainant would like the KEENE HOUSING AUTHORITY to record the proceedings by audiotape, the request must be made to the KEENE HOUSING AUTHORITY by 12:00 p.m. on the business day prior to the hearing.

The KEENE HOUSING AUTHORITY will consider that an audio tape recording of the proceedings is a transcript.

**Accommodations of Persons with Disabilities [24 CFR 966.56(h)]**

The KEENE HOUSING AUTHORITY must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the KEENE HOUSING AUTHORITY's responsibilities pertaining to reasonable accommodation.

## 14-III.H. DECISION OF THE HEARING OFFICER/PANEL [24 CFR 966.57]

The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the KEENE HOUSING AUTHORITY. The KEENE HOUSING AUTHORITY must retain a copy of the decision in the tenant's folder. A copy of the decision, with all names and identifying references deleted, must also be maintained on file by the KEENE HOUSING AUTHORITY and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].

KEENE HOUSING AUTHORITY Policy

In rendering a decision, the hearing officer will consider the following matters:

**KEENE HOUSING AUTHORITY Notice to the Family**: The hearing officer will determine if the reasons for the KEENE HOUSING AUTHORITY's decision are factually stated in the notice.

**Discovery:** The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with KEENE HOUSING AUTHORITY policy.

**KEENE HOUSING AUTHORITY Evidence to Support the KEENE HOUSING AUTHORITY Decision**: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the KEENE HOUSING AUTHORITY's conclusion.

**Validity of Grounds for Termination of Tenancy (when applicable)**: The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and KEENE HOUSING AUTHORITY policies. If the grounds for termination are not specified in the regulations or in compliance with KEENE HOUSING AUTHORITY policies, then the decision of the KEENE HOUSING AUTHORITY will be overturned.

The hearing officer will issue a written decision to the family and the KEENE HOUSING AUTHORITY no later than 10 business days after the hearing. The report will contain the following information:

**Hearing information:**

Name of the complainant

Date, time and place of the hearing

Name of the hearing officer

Name of the KEENE HOUSING AUTHORITY representative(s)

Name of family representative (if any)

Names of witnesses (if any)

**Background**: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

**Summary of the Evidence**: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the KEENE HOUSING AUTHORITY's decision.

**Order:** The hearing report will include a statement of whether the KEENE HOUSING AUTHORITY's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the KEENE HOUSING AUTHORITY to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the KEENE HOUSING AUTHORITY to restore the family's status.

**Procedures for Further Hearing**

KEENE HOUSING AUTHORITY Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the KEENE HOUSING AUTHORITY will take effect and another hearing will not be granted.

**Final Decision [24 CFR 966.57(b)]**

The decision of the hearing officer/panel is binding on the KEENE HOUSING AUTHORITY which must take the action, or refrain from taking the action cited in the decision unless the KEENE HOUSING AUTHORITY Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern KEENE HOUSING AUTHORITY action or failure to act in accordance with or involving the complainant's lease on KEENE HOUSING AUTHORITY policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer/panel is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the KEENE HOUSING AUTHORITY

KEENE HOUSING AUTHORITY Policy

When the KEENE HOUSING AUTHORITY considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the KEENE HOUSING AUTHORITY Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer/panel, or Board of Commissioners in favor of the KEENE HOUSING AUTHORITY or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

## Chapter 15

## PROGRAM INTEGRITY

### INTRODUCTION

The KEENE HOUSING AUTHORITY is committed to ensuring that funds made available to the KEENE HOUSING AUTHORITY are spent in accordance with HUD requirements.

This chapter covers HUD and KEENE HOUSING AUTHORITY policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents KEENE HOUSING AUTHORITY policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the KEENE HOUSING AUTHORITY must and may take when errors or program abuses are found.

## PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

### 15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY anticipates that the vast majority of families and KEENE HOUSING AUTHORITY employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the KEENE HOUSING AUTHORITY's program is administered effectively and according to the highest ethical and legal standards, the KEENE HOUSING AUTHORITY will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The KEENE HOUSING AUTHORITY will provide each applicant and resident with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

The KEENE HOUSING AUTHORITY will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The KEENE HOUSING AUTHORITY will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The KEENE HOUSING AUTHORITY will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

KEENE HOUSING AUTHORITY staff will be required to review and explain the contents of all HUD- and KEENE HOUSING AUTHORITY-required forms prior to requesting family member signatures.

The KEENE HOUSING AUTHORITY will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key KEENE HOUSING AUTHORITY forms and form letters that request information from a family member.

The KEENE HOUSING AUTHORITY will provide each KEENE HOUSING AUTHORITY employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false

statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

## 15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the KEENE HOUSING AUTHORITY will use a variety of activities to detect errors and program abuse.

### Quality Control and Analysis of Data

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will employ a variety of methods to detect errors and program abuse, including:

The KEENE HOUSING AUTHORITY routinely will use available sources of up-front income verification to compare with family-provided information.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The KEENE HOUSING AUTHORITY will compare family-reported income and expenditures to detect possible unreported income.

### Independent Audits and HUD Monitoring

OMB Circular A-133 requires all KEENE HOUSING AUTHORITYs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of KEENE HOUSING AUTHORITY activities and notifies the KEENE HOUSING AUTHORITY of errors and potential cases of program abuse.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the KEENE HOUSING AUTHORITY's error detection and abuse prevention efforts.

### Individual Reporting of Possible Errors and Program Abuse

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will encourage staff, residents, and the public to report possible program abuse.

## 15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

### When the KEENE HOUSING AUTHORITY Will Investigate

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the KEENE HOUSING AUTHORITY to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The KEENE HOUSING AUTHORITY will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

### Consent to Release of Information [24 CFR 960.259]

The KEENE HOUSING AUTHORITY may investigate possible instances of error or abuse using all available KEENE HOUSING AUTHORITY and public records. If necessary, the KEENE HOUSING AUTHORITY will require applicant/resident families to give consent to the release of additional information.

### Analysis and Findings

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will base its evaluation on a preponderance of the evidence collected during its investigation.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the KEENE HOUSING AUTHORITY will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the KEENE HOUSING AUTHORITY, and (3) what corrective measures or penalties will be assessed.

**Consideration of Remedies**

All errors and instances of program abuse must be corrected prospectively. Whether the KEENE HOUSING AUTHORITY will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

KEENE HOUSING AUTHORITY Policy

In the case of family-caused errors or program abuse, the KEENE HOUSING AUTHORITY will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

**Notice and Appeals**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the KEENE HOUSING AUTHORITY determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

## PART II: CORRECTIVE MEASURES AND PENALTIES

### 15-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

**Corrections**

Whether the incorrect rental determination is an overpayment or underpayment, the KEENE HOUSING AUTHORITY must promptly correct the tenant rent and any utility reimbursement prospectively.

KEENE HOUSING AUTHORITY Policy

Increases in the tenant rent will be implemented only after the family has received 30 days notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

**Reimbursement**

Whether the family is required to reimburse the KEENE HOUSING AUTHORITY or the KEENE HOUSING AUTHORITY is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

## 15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the KEENE HOUSING AUTHORITY to use incorrect information provided by a third party.

**Family Reimbursement to KEENE HOUSING AUTHORITY**

KEENE HOUSING AUTHORITY Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The KEENE HOUSING AUTHORITY may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the KEENE HOUSING AUTHORITY will terminate the family's lease in accordance with the policies in Chapter 13.

**KEENE HOUSING AUTHORITY Reimbursement to Family**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

**Prohibited Actions**

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the KEENE HOUSING AUTHORITY [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the KEENE HOUSING AUTHORITY [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

KEENE HOUSING AUTHORITY Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the KEENE HOUSING AUTHORITY Board of Commissioners, employees, contractors, or other KEENE HOUSING AUTHORITY representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the KEENE HOUSING AUTHORITY on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The KEENE HOUSING AUTHORITY may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

**Penalties for Program Abuse**

In the case of program abuse caused by a family the KEENE HOUSING AUTHORITY may, at its discretion, impose any of the following remedies.

- The KEENE HOUSING AUTHORITY may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to KEENE HOUSING AUTHORITY).
- The KEENE HOUSING AUTHORITY may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).

- The KEENE HOUSING AUTHORITY may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The KEENE HOUSING AUTHORITY may refer the family for state or federal criminal prosecution as described in section 15-II.D.

## 15-II.C. KEENE HOUSING AUTHORITY-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of KEENE HOUSING AUTHORITY staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a KEENE HOUSING AUTHORITY staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the KEENE HOUSING AUTHORITY personnel policy.

KEENE HOUSING AUTHORITY-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

### Repayment to the KEENE HOUSING AUTHORITY

The family is not required to repay an underpayment of rent if the error or program abuse is caused by KEENE HOUSING AUTHORITY staff.

### KEENE HOUSING AUTHORITY Reimbursement to Family

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

### Prohibited Activities

KEENE HOUSING AUTHORITY Policy

Any of the following will be considered evidence of program abuse by KEENE HOUSING AUTHORITY staff:

Failing to comply with any public housing program requirements for personal gain

Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the KEENE HOUSING AUTHORITY

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of KEENE HOUSING AUTHORITY activities, policies, or practices

Misappropriating or misusing public housing funds

Destroying, concealing, removing, or inappropriately using any records related to the public housing program

Committing any other corrupt or criminal act in connection with any federal housing program

## 15-II.D. CRIMINAL PROSECUTION

KEENE HOUSING AUTHORITY Policy

When the KEENE HOUSING AUTHORITY determines that program abuse by a family or KEENE HOUSING AUTHORITY staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the KEENE HOUSING AUTHORITY will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

## 15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

KEENE HOUSING AUTHORITYs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the KEENE HOUSING AUTHORITY recovers [Notice PIH 2005-7 (HA)].

If the KEENE HOUSING AUTHORITY does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the KEENE HOUSING AUTHORITY's grievance process.

## Chapter 16

## PROGRAM ADMINISTRATION

### INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in six parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of KEENE HOUSING AUTHORITY-furnished utilities.

Part II: Establishing Flat Rents and Public Housing Maximum Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts and public housing maximum rents.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the KEENE HOUSING AUTHORITY will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (KEENE HOUSING AUTHORITYS). This part describes the KEENE HOUSING AUTHORITYS indicators, how KEENE HOUSING AUTHORITYs are scored under KEENE HOUSING AUTHORITYS, and how those scores affect a KEENE HOUSING AUTHORITY.

Part V: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the KEENE HOUSING AUTHORITY will follow.

Part VI: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the KEENE HOUSING AUTHORITY's reporting responsibilities related to children with environmental intervention blood lead levels that are living in public housing.

## PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

### 16-I.A. OVERVIEW

KEENE HOUSING AUTHORITYs must establish allowances for KEENE HOUSING AUTHORITY-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

KEENE HOUSING AUTHORITYs must also establish surcharges for excess consumption of KEENE HOUSING AUTHORITY-furnished utilities [24 CFR 965.506].

The KEENE HOUSING AUTHORITY must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

### 16-I.B UTILITY ALLOWANCES

The KEENE HOUSING AUTHORITY must establish separate allowances for each utility and for each category of dwelling units the KEENE HOUSING AUTHORITY determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a KEENE HOUSING AUTHORITY in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the KEENE HOUSING AUTHORITY does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the KEENE HOUSING AUTHORITY about establishing utility allowances.

**Air-Conditioning**

"If a KEENE HOUSING AUTHORITY installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident option, residents are not to be charged, and these systems should be avoided whenever possible." [24 CFR 965.505(e)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY has not installed air-conditioning.

**Utility Allowance Revisions [24 CFR 965.507]**

The KEENE HOUSING AUTHORITY must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The KEENE HOUSING AUTHORITY may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

KEENE HOUSING AUTHORITY Policy

Between annual reviews of utility allowances, the KEENE HOUSING AUTHORITY will only revise its utility allowances due to a rate change, when required to by the regulation. The Keene Housing Authority will adopt annually new Hampshire Housing Finance Authority's utility allowance schedule.

## 16-I.C. SURCHARGES FOR KEENE HOUSING AUTHORITY-FURNISHED UTILITIES [24 CFR 965.506]

For dwelling units subject to allowances for KEENE HOUSING AUTHORITY-furnished utilities where check meters have been installed, the KEENE HOUSING AUTHORITY must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption, and must be based on the KEENE HOUSING AUTHORITY's average utility rate. The basis for calculating the surcharges must be described in the KEENE HOUSING AUTHORITY's schedule of allowances. Changes in the amount of surcharges based directly on changes in the KEENE HOUSING AUTHORITY's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by KEENE HOUSING AUTHORITY-furnished utilities where check meters have not been installed, the KEENE HOUSING AUTHORITY must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of KEENE HOUSING AUTHORITY-furnished equipment. The surcharge schedule must state the resident-owned equipment (or functions of KEENE HOUSING AUTHORITY-furnished equipment) for which surcharges will be made and the amounts of such charges. Surcharges must be based on the cost to the KEENE HOUSING AUTHORITY of the utility consumption estimated to be attributable to reasonable usage of such equipment.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY does have KEENE HOUSING AUTHORITY-furnished utilities.

## 16-I.D. NOTICE REQUIREMENTS [965.502]

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

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

## 16-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]

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

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

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

## PART II: ESTABLISHING FLAT RENTS AND PUBLIC HOUSING MAXIMUM RENTS

### 16-II.A. OVERVIEW

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

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

This part discusses how the KEENE HOUSING AUTHORITY establishes and updates flat rents and public housing maximum rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and public housing maximum rents are discussed in Chapter 6.

### 16-II.B. FLAT RENTS [24 CFR 960.253(b)]

**Establishing Flat Rents**

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent should be equal to the estimated rent for which the KEENE HOUSING AUTHORITY could promptly lease the public housing unit after preparation for occupancy.

The KEENE HOUSING AUTHORITY must use a reasonable method to determine flat rents. In determining flat rents, KEENE HOUSING AUTHORITYs must consider the following:

- Location
- Quality
- Unit size
- Unit type
- Age of property
- Amenities at the property and in immediate neighborhood
- Housing services provided
- Maintenance provided by the KEENE HOUSING AUTHORITY
- Utilities provided by the KEENE HOUSING AUTHORITY

**Review of Flat Rents**

The KEENE HOUSING AUTHORITY must ensure that flat rents continue to mirror market rent values [24 CFR 960.253(b)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will review flat rents on an annual basis, and adjust them as necessary to ensure that flat rents continue to mirror market rent values.

**Posting of Flat Rents**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will publicly post the schedule of flat rents in a conspicuous manner in the applicable KEENE HOUSING AUTHORITY or project office.

**Documentation of Flat Rents [24 CFR 960.253(b)(5)]**

The KEENE HOUSING AUTHORITY must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the KEENE HOUSING AUTHORITY in accordance with this method.

## PART III: FAMILY DEBTS TO THE KEENE HOUSING AUTHORITY

### 16-III.A. OVERVIEW

This part describes the KEENE HOUSING AUTHORITY's policies for recovery of monies that have been underpaid by families.

KEENE HOUSING AUTHORITY Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the KEENE HOUSING AUTHORITY holds the family liable to return any underpayments to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments. The term *repayment agreement* refers to a formal document signed by a tenant and provided to the KEENE HOUSING AUTHORITY in which a tenant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

When a family refuses to repay monies owed to the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY will utilize other available collection alternatives including, but not limited to, the following:

Collection agencies

Small claims court

Civil law suit

State income tax set-off program

## 16-III.B. REPAYMENT POLICY

### Family Debts to the KEENE HOUSING AUTHORITY

KEENE HOUSING AUTHORITY Policy

Any amount due to the KEENE HOUSING AUTHORITY by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the KEENE HOUSING AUTHORITY will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the KEENE HOUSING AUTHORITY will terminate the family's tenancy in accordance with the policies in Chapter 13. The KEENE HOUSING AUTHORITY will also pursue other modes of collection.

### Repayment Agreement Guidelines

*Down Payment Requirement*

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority does not require a down payment prior to executing a repayment agreement..

*Payment Thresholds*

KEENE HOUSING AUTHORITY Policy

Amounts between $3,000 and the Federal or State threshold for criminal prosecution must be repaid within 36 months.

Amounts between $2,000 and $2,999 must be repaid within 30 months.

Amounts between $1,000 and $1,999 must be repaid within 24 months.

Amounts under $1,000 must be repaid within 12 months.

*Execution of the Agreement*

KEENE HOUSING AUTHORITY Policy

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

*Due Dates*

KEENE HOUSING AUTHORITY Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

***Non-Payment***

KEENE HOUSING AUTHORITY Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the KEENE HOUSING AUTHORITY will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the KEENE HOUSING AUTHORITY will terminate tenancy in accordance with the policies in Chapter 13.

***No Offer of Repayment Agreement***

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not enter into a repayment agreement if there is already a repayment agreement in place with the family, or the amounts owed by the family exceed the Federal or State threshold for criminal prosecution.

## PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (KEENE HOUSING AUTHORITYS)

### 16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (KEENE HOUSING AUTHORITYS) is to improve the delivery of services in public housing and enhance trust in the public housing system among KEENE HOUSING AUTHORITYs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

**16-IV.B. KEENE HOUSING AUTHORITYS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]** The Keene Housing Authority, as part of its' Moving to Work Agreement, has received a waiver from elements of PHAS and in place of PHAS has agreed to execute activities as noted below in its annual plan and annual report requirements. The Keene Housing Authority has also received a waiver to conduct its own resident Survey on an annual basis in place of RASS.

### MTW ANNUAL PLAN AND REPORT ELEMENTS

| ANNUAL PLAN | ANNUAL REPORT |
|---|---|
| **I. HOUSEHOLDS SERVED** | **I. HOUSEHOLDS SERVED** |
| A. Number and characteristics of households served at beginning of period, by:<br>- unit size<br>- family type (family vs. elderly or disabled) | A. Number served: plan vs. actual by<br>- unit size<br>- family type<br>- income group |

| | |
|---|---|
| - income group (<30: 30-50; 50-80;>80)<br><br>- housing type (LRPH; leased, other)<br><br>- race & ethnicity<br><br>B. Identify number and characteristics of households on waiting lists (all housing types). Discuss waiting list issues and proposed actions<br><br>C. Number projected to be served at end of period<br><br>D. Narrative discussion/explanation of change | - program/housing type<br><br>- race & ethnicity<br><br>B. Changes in tenant characteristics<br><br>C. Changes in waiting list numbers and characteristics<br><br>D. Narrative discussion/ explanation of difference |
| **II. OCCUPANCY POLICIES**<br><br>A. Statement of policies governing eligibility, selection, admissions, assignment, and occupancy of families, including the admissions policy under section 16(a)(3)(B) for deconcentration of lower-income families<br><br>B. Statement of Rent Policy | **II. OCCUPANCY POLICIES**<br><br>A. Changes in concentration of lower-income families, by program<br><br>B. Changes in Rent Policy, if any<br><br>C. Narrative discussion/explanation of change |
| **III. CHANGES IN THE HOUSING STOCK** | **III. CHANGES IN THE HOUSING STOCK** |

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|---|---|
| A. Number of units in inventory at beginning of period by program (LRPH, leased, other)<br><br>B. Projected number at end of period by program | A. Number of units in inventory by program: planned vs. actual<br><br>B. Narrative discussion/explanation of difference |
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| | |
|---|---|
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| | |
|---|---|
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| | |
|---|---|
| actions<br><br>3. Target rates by property at end of period | |
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| | |

| D. INSPECTIONS | D. INSPECTIONS |
|---|---|
| 1. Description of inspection strategy<br><br>2. Planned inspections (% this FY) | 1. Planned vs. actual inspections completed<br><br>2. Narrative/discussion of difference<br><br>3. Results of independent PHAS inspections |
| **E. SECURITY** | **E. SECURITY** |
| 1. Narrative: security issues and proposed actions | 1. Narrative: planned vs. actual actions/ explanation of difference |

**VIII. MANAGEMENT INFORMATION FOR LEASED HOUSING**

| A. LEASING INFORMATION | A. LEASING INFORMATION |
|---|---|
| 1. Units under lease (%) beginning of period<br><br>2. Target lease up rate at end of period<br><br>3. Plans regarding:<br>• Expanding housing opportunities | 1. Target vs. actual lease ups at end of period<br><br>2. Information and Certification of Data on Leased Housing Management, including:<br>• Expanding housing opportunities<br>• Deconcentration of low-income families |

| | |
|---|---|
| • Deconcentration of low-income families<br><br>3. Issues and proposed actions | 3. Narrative/explanation of differences |
| **B. INSPECTION STRATEGY**<br><br>1. Description of inspection strategy, including:<br>a) Planned inspections completed (% this FY) by category:<br>* Annual HQS inspections<br>* Pre-contract HQS inspections<br>* HQS Quality Control Inspections<br>b) HQS Enforcement | **B. INSPECTION STRATEGY**<br><br>1. Results of strategy, including:<br>a) Planned vs. actual inspections completed by category:<br>* Annual HQS inspections<br>* Pre-contract HQS inspections<br>* HQS Quality Control Inspections<br>b) HQS Enforcement<br><br>2. Narrative/discussion of difference |
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| b. ***X. Other Information Required by HUD*** | |
| A. Board Resolution | A. Results of latest completed 133 Audit, (including program-specific OMB |

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|---|---|
| • Adopting Plan<br>• Certifying that Public Hearing Requirements were met<br><br>B. Required Certifications and other submissions from which the Agency is not exempted by the MTW Agreement<br><br>C. Submissions required for the receipt of funds | compliance supplement items, as applicable to the HA's Agreement)<br>B. Required Certifications and other submissions from which the Agency is not exempted by the MTW Agreement<br>C. Submissions required for the receipt of funds |

## PART V: RECORD KEEPING

### 16-V.A. OVERVIEW

The KEENE HOUSING AUTHORITY must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the KEENE HOUSING AUTHORITY must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

### 16-V.B. RECORD RETENTION

KEENE HOUSING AUTHORITY Policy

During the term of each public housing tenancy, and for at least four years thereafter, the KEENE HOUSING AUTHORITY will keep all documents related to a family's eligibility, tenancy, and termination.

In addition, the KEENE HOUSING AUTHORITY will keep the following records for at least four years:

- An application from each ineligible family and notice that the applicant is not eligible
- Lead-based paint records as required by 24 CFR 35, Subpart B
- Documentation supporting the establishment of flat rents and the public housing maximum rent
- Documentation supporting the establishment of utility allowances and surcharges
- Documentation supporting KEENE HOUSING AUTHORITYS scores
- Accounts and other records supporting KEENE HOUSING AUTHORITY budget and financial statements for the program
- Other records as determined by the KEENE HOUSING AUTHORITY or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

## 16-V.C. RECORDS MANAGEMENT

KEENE HOUSING AUTHORITYs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

KEENE HOUSING AUTHORITY Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized KEENE HOUSING AUTHORITY staff.

KEENE HOUSING AUTHORITY staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

### Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the KEENE HOUSING AUTHORITY may release the information collected.

### Upfront Income Verification (UIV) Records

KEENE HOUSING AUTHORITYs that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in *Enterprise Income Verification (EIV) System KEENE HOUSING AUTHORITY Security Procedures*, Version 1.2, issued January 2005.

KEENE HOUSING AUTHORITY Policy

Prior to utilizing HUD's EIV system, the KEENE HOUSING AUTHORITY will adopt and implement EIV security procedures required by HUD.

**Criminal Records**

The KEENE HOUSING AUTHORITY may only disclose the criminal conviction records which the KEENE HOUSING AUTHORITY receives from a law enforcement agency to officers or employees of the KEENE HOUSING AUTHORITY, or to authorized representatives of the KEENE HOUSING AUTHORITY who have a job-related need to have access to the information [24 CFR 5.903(e)].

The KEENE HOUSING AUTHORITY must establish and implement a system of records management that ensures that any criminal record received by the KEENE HOUSING AUTHORITY from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the KEENE HOUSING AUTHORITY action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].The KEENE HOUSING AUTHORITY must establish and implement a system of records management that ensures that any sex offender registration information received by the KEENE HOUSING AUTHORITY from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the KEENE HOUSING AUTHORITY action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a KEENE HOUSING AUTHORITY other than under 24 CFR 5.905.

KEENE HOUSING AUTHORITY POLICY

Criminal records will only be collected by the Occupancy Specialist and Inspector and given to the Property Manager. The criminal report will be kept in the criminal record file in a locked and secured location in the Property Manager's office. The report may be reviewed by the Department Manager if the decision to take adverse action must be reviewed and approved by such person.

**Medical/Disability Records**

KEENE HOUSING AUTHORITYs are not permitted to inquire about the nature or extent of a person's disability. The KEENE HOUSING AUTHORITY may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the KEENE HOUSING AUTHORITY receives a verification document that provides such information, the KEENE HOUSING AUTHORITY should not place this information in the tenant file. The KEENE HOUSING AUTHORITY should destroy the document.

## PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

### 16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e)]

The KEENE HOUSING AUTHORITY has certain responsibilities relative to children with environmental intervention blood lead levels that are living in public housing.

The KEENE HOUSING AUTHORITY must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional. The KEENE HOUSING AUTHORITY must also report each known case of a child with an environmental intervention blood lead level to the HUD field office.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

The KEENE HOUSING AUTHORITY will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within 5 business days of receiving the information.

# ADMINISTRATIVE PLAN
# FOR THE
# SPECTRUM MOVING TO WORK
# SECTION 8 PROGRAM

**January 1, 2007**

| Revision Date | |
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**Approved by the PHA Board of Commissioners: 10/5/06**

**Submitted to HUD:**

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# HOUSING ASSISTANCE COUPON ADMINISTRATIVE PLAN FOR THE SPECTRUM MOVING TO WORK SECTION 8 PROGRAM

## Chapter 1

## THE KEENE HOUSING AUTHORITY

### 1-I.A. OVERVIEW

This part describes the KEENE HOUSING AUTHORITY's creation and authorization, the general structure of the organization, and the relationship between the KEENE HOUSING AUTHORITY Board and staff.

### 1-I.B. ORGANIZATION AND STRUCTURE OF THE KEENE HOUSING AUTHORITY

Section 8 is funded by the federal government and administered by the **KEENE HOUSING AUTHORITY** for the jurisdiction of Keene and parts of **Cheshire County**.

The KEENE HOUSING AUTHORITY is governed by a board of officials that are generally called "commissioners." Although some PHA's may use a different title for their officials, this document will hitherto refer to the "board of commissioners" or the "board" when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the KEENE HOUSING AUTHORITY conducts business, and ensures that those policies are followed by KEENE HOUSING AUTHORITY staff. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability and success.

Formal actions of the KEENE HOUSING AUTHORITY are taken through written resolutions, adopted by the board and entered into the official records of the KEENE HOUSING AUTHORITY.

The principal staff member of the KEENE HOUSING AUTHORITY is the Chief Executive officer (CEO), who is selected and hired by the board. The CEO oversees the day to day operations of the KEENE HOUSING AUTHORITY and is directly responsible for carrying out the policies established by the commissioners. The CEO's duties include hiring, training, and supervising the KEENE HOUSING AUTHORITY's staff, as well as budgeting and financial planning for the agency. Additionally, the CEO is charged with ensuring compliance with federal and state laws, and program mandates.

### 1-I.C. KEENE HOUSING AUTHORITY MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides the basis for strategy development, identification of critical success factors, resource allocation decisions, as well as ensuring client and stakeholder satisfaction.

The mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and/or advocate for:

- Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low and moderate income within the Monadnock Region;

And; to provide and/or advocate for

- Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.

## 1-I.D. THE KEENE HOUSING AUTHORITY'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the KEENE HOUSING AUTHORITY is committed to providing excellent service to all Section 8 applicants, participants, and the public. In order to provide superior service, the KEENE HOUSING AUTHORITY resolves to:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair – in compliance with program uniform physical condition standards – for very low- and low-income families.
- Achieve a healthy mix of incomes in its Section 8 developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low- and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the Section 8 program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the KEENE HOUSING AUTHORITY's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the KEENE HOUSING AUTHORITY's support systems and commitment to our employees and their development.

The KEENE HOUSING AUTHORITY will make every effort to keep participants informed of program rules and regulations, and to advise participants of how the program rules affect them.

## 1-II.E. KEENE HOUSING AUTHORITY HISTORY

The intent of this section is to provide the public and staff an overview of the history and operation of Section 8.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives, known as Section 8. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income participants. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the Section 8 program for the first time. Until that time, Section 8 was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Section 8 Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the Section 8 program and provide participants with greater choices. It also allowed KEENE HOUSING AUTHORITYs more remedies to replace or revitalize severely distressed Section 8 developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for KEENE HOUSING AUTHORITYs to develop five-year and annual plans; income targeting, a requirement that 40% of all new admissions in Section 8 during any given fiscal year be reserved for extremely low-income families; and participant self-sufficiency incentives.

**Establishment**

The Keene Housing Authority was created by resolution of the City Council for the city of Keene July 15, 1965 in accordance with Section 4 of Chapter 203, New Hampshire Revised Statutes Annotated. The stated mission of the authority was filling the need for "safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene". Pursuant to this resolution the Mayor of Keene, in accordance with NHRSA 203:5, appointed five persons as Commissioners of the KHA, and these appointments have been made regularly in accordance with the law, through and including the present time. The Authority, as a duly created municipal agency of the city, derives extensive powers from RSA 203.8. Among these powers is the authority to:

- Acquire, lease, manage, maintain or operate housing projects
- Provide for the construction, reconstruction, improvement, and extension of housing projects or any part thereof.
- Lease or rent any dwellings, houses, land, or buildings in any housing project.
- Establish and revise the rents and other charges for use of the property.
- Own, hold, and improve real or personal property.
- Purchase, lease, obtain options upon, and acquire by gift any real or personal property.
- Sell, lease exchange, transfer or dispose of any real or personal property.

**Governance/Administration:** The Authority is governed by a five person Board of Commissioners appointed by the Mayor of the city of Keene. A list of the Board of Commissioners is attached. The Board is responsible for the hiring and supervision of the Executive Director, who is responsible for the day-to-day operation of the agency. The authority has a staff of 40.

**Housing Management**

At present the Keene Housing Authority owns or manages and maintains 510 units of elderly, disabled, and family housing. These include 226 Section 8 units of which 112 units are elderly/disabled and the remaining 114 are family units. The KHA owns a 30 unit family complex in Winchester, an 18-unit

section 8 complex in Keene, and 9 Heading for Home properties in Keene. The KHA also is contracted to manage a 90-unit elderly/disabled complex, and a 24-unit family complex in Swanzey, as well as 113 units of family housing and special needs housing. Additionally the KHA administers about 400 section 8 housing assistance coupons including 50 mainstream vouchers.

## 1-I.F. SPECTRUM-KHA'S MOVING TO WORK PROGRAM

In 1997 the KHA was selected as one of approximately 20 housing authorities nationwide to be part of a "Moving To Work" demonstration program. Participation in the program is required for all Section 8 and Section 8 participants receiving Housing Assistance Coupons. Elderly or disabled families may choose to participate. Under the Moving To Work program, rents and subsidies are calculated according to a graduated step program. As part of the Moving To Work program, the Participant Self Reliance Program assists participants in attaining self-sufficiency by providing connections to community resources and offering support in areas such as employment, education, homeownership, finances, and family and personal goals.

After March 1, 2001, the KHA will issue only Housing Assistance Coupons to applicants, movers, and families entering the jurisdiction through portability (subject to funding). Exception—KHA (under its agreement with HUD) must maintain 50 Mainstream Vouchers. Therefore, in order to maintain 50 Mainstream Voucher, income eligible elderly and persons with disabilities may be issued a Mainstream Voucher. Vouchers currently held will continue to be honored until the family's next move and then will be transitioned to a HAC. Families participating in the Housing Choice Voucher Program as of March 1, 2001 may request to be transferred to the HAC program if their existing landlord agrees to cancel the Housing Assistance Payments Contract and participate in the HAC program. No existing Housing Choice Voucher program participant or landlord will be required to transfer to the HAC program if the participant stays in place, although Housing Choice Voucher program participants are part of Spectrum (Moving to Work) with the exception of mainstream vouchers and those participants who utilize a voucher at Tax Credit Properties.

Under the Moving to Work (MTW) demonstration program, KHA is restructuring its Section 8 Housing Choice Voucher Program in an effort to encourage full employment, reduce costs, achieve greater cost effectiveness in federal expenditures and give financial incentives to families. KHA has developed the Spectrum Program, a flexible, efficient housing program providing a full range of housing options, which offers incentives towards full employment while providing affordability. There are three major components of the Spectrum MTW Program:

- Step Rent System
- Safety Net
- Participant Self-Reliance Program

KHA's Section 8 program is called the Housing Assistance Coupon (HAC). In summary, HAC eligible participants are given a HAC and are responsible for locating affordable housing and entering into a lease with a landlord. The landlord may self-certify that the property meets Housing Quality Standards and Lead Based Paint requirements or the landlord may request an inspection by the Keene Housing Authority. The Housing Assistance Payment may be made to the participant, instead of the landlord, and the participant will be responsible for making the full monthly rental payment to the landlord. Non-RSR participants will have an option for method of payment.

All new participant families who are non-elderly and non-disabled will be required to participate in the Participant Self-Reliance Program (RSR). An RSR family is defined as a household where there is one or

more adult members, with at least one adult family member who is not disabled, all other families are referred to as Non-RSR families. In the RSR program, participants establish goals for the family to achieve self-sufficiency and, with KHA staff support, develop a plan to achieve those goals [see *Section 6-III.*A for more detail]. The HAC subsidy for RSR families is set at Step Levels, described in *Section 6-III.A.* Participants unable to meet the obligations of the Step Levels will be offered an opportunity to exercise a Safety Net, described in *Section 6-III.B.* The HAC subsidy for NON RSR families is described in *Section 6-III.A*. Existing Section 8 participants may elect to participate in the RSR program.

KHA will operate a Landlord Protection Fund, designed to ensure landlords are protected in the event a participant does not pay rent. The Landlord Protection Fund is described in *Section 14-IB*.

**Participant Self-Reliance Program (RSR)**

The RSR program is designed to help each family achieve, to the best of their ability, economic self-sufficiency. All families entering the program participate in a required assessment within a specified time frame after their lease signing. The assessment helps the participant identify key competencies they will need to build to achieve self-sufficiency. In addition, families are required to participate in a separate goal setting meetings where the family identifies goals they will accomplish each quarter relating to the core competency areas. Families are required as part of their lease to participate in program activities that will help them achieve skills in Core Competencies essential to achieving economic stability:

C. Employment
D. Education
E. Financial Management
F. Family Planning and Parenting

Tenants sign the RSR lease addendum contract which outlines their obligations that are required to continue occupancy. Required activities include:

- Create and maintain a financial plan
- Participate in quarterly goal setting sessions
- Make reasonable progress toward goals
- Participate in required skill development activities

Failure to comply with RSR obligation will result in possible termination of assistance.
Families who have achieved their met their required competency areas and are in good standing may apply for a waiver from some of the RSR required activities. If the family falls out of good standing, meaning they have no lease violations, they do not owe money to KHA and they are not under eviction, they will be required to participate in all RSR activities and lose the RSR waiver.

## Chapter 2

## FAIR HOUSING AND EQUAL OPPORTUNITY

### INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHA's to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the PHA's Section 8 operations.

This chapter describes HUD regulations and KEENE HOUSING AUTHORITY policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the KEENE HOUSING AUTHORITY regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the Section 8 program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the KEENE HOUSING AUTHORITY to ensure meaningful access to the Section 8 program and its activities by persons with limited English proficiency (LEP). This part incorporates HUD's Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal* Register ("Notice of Guidance").

## PART I: NONDISCRIMINATION

### 2-I.A. OVERVIEW

Federal laws require KEENE HOUSING AUTHORITY to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The KEENE HOUSING AUTHORITY will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

KEENE HOUSING AUTHORITY Policy

No state or local nondiscrimination laws or ordinances apply.

### 2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes. State and local requirements, as well as KEENE HOUSING AUTHORITY policies, can prohibit discrimination against additional classes of people.

The KEENE HOUSING AUTHORITY shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes").

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not discriminate on the basis of marital status or sexual orientation.

The KEENE HOUSING AUTHORITY will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the Section 8 program
- Provide housing that is different from that provided to others

- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of participantial real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

**Providing Information to Families**

The KEENE HOUSING AUTHORITY must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the Section 8 orientation process, the KEENE HOUSING AUTHORITY will provide information to Section 8 applicant families about civil rights requirements.

**Discrimination Complaints**

If an applicant or tenant family believes that any family member has been discriminated against by the KEENE HOUSING AUTHORITY or an owner/ property manager, the family should advise the KEENE HOUSING AUTHORITY. HUD requires the KEENE HOUSING AUTHORITY to make every reasonable attempt to determine whether the applicant's or tenant family's assertions have merit and take any warranted corrective action.

KEENE HOUSING AUTHORITY Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the KEENE HOUSING AUTHORITY either orally or in writing.

The KEENE HOUSING AUTHORITY will attempt to remedy discrimination complaints made against the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

## PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

### 2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The KEENE HOUSING AUTHORITY must ensure that persons with disabilities have full access to the KEENE HOUSING AUTHORITY's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the Section 8 program.

The KEENE HOUSING AUTHORITY must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will ask all applicants and participant families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the KEENE HOUSING AUTHORITY, by including the following language:

> "If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number will be indicated as the contact for requests for accommodation for persons with disabilities.

### 2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A "reasonable accommodation" is a change, exception, or adjustment to a rule, policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies practices and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act .

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the KEENE HOUSING AUTHORITY, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

**Types of Reasonable Accommodations**

When it is reasonable (see definition above and Section 2-II.E), the KEENE HOUSING AUTHORITY shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of

specialized equipment related to the disability

- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability (for KHA properties).
- Installing a ramp into a dwelling or building (for KHA properties).
- Installing grab bars in a bathroom (for KHA properties).
- Installing visual fire alarms for hearing impaired persons (for KHA properties).
- Allowing a KEENE HOUSING AUTHORITY-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space (for KHA properties).
- Allowing an assistance animal (for KHA properties).
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with KEENE HOUSING AUTHORITY staff
- Displaying posters and other housing information in locations throughout the KEENE HOUSING AUTHORITY's office in such a manner as to be easily readable from a wheelchair

## 2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the KEENE HOUSING AUTHORITY treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the KEENE HOUSING AUTHORITY's programs and services.

If the need for the accommodation is not readily apparent or known to the KEENE HOUSING AUTHORITY, the family must explain the relationship between the requested accommodation and the disability.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will encourage the family to make its request in writing using a reasonable accommodation request form. However, the KEENE HOUSING AUTHORITY will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

## 2-II.D. VERIFICATION OF DISABILITY

**The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.**

Before providing an accommodation, the KEENE HOUSING AUTHORITY must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the KEENE HOUSING AUTHORITY's programs and services.

If a person's disability is obvious or otherwise known to the KEENE HOUSING AUTHORITY, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the KEENE HOUSING AUTHORITY will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The KEENE HOUSING AUTHORITY must request only information that is necessary to evaluate the disability-related need for the accommodation. The KEENE HOUSING AUTHORITY may not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

**2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION** [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

The KEENE HOUSING AUTHORITY must approve a request for an accommodation if the following three conditions are met.

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the KEENE HOUSING AUTHORITY, or fundamentally alter the nature of the KEENE HOUSING AUTHORITY's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the KEENE HOUSING AUTHORITY at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the KEENE HOUSING AUTHORITY may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the KEENE HOUSING AUTHORITY may verify the need for the requested accommodation.

KEENE HOUSING AUTHORITY Policy

After a request for an accommodation is presented, the KEENE HOUSING AUTHORITY will respond, in writing, within 10 business days.

If the KEENE HOUSING AUTHORITY denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the KEENE HOUSING AUTHORITY's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the KEENE HOUSING AUTHORITY denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the KEENE HOUSING AUTHORITY's operations), the KEENE HOUSING AUTHORITY will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the Section 8 program and without imposing an undue financial and administrative burden.

If the KEENE HOUSING AUTHORITY believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the KEENE HOUSING AUTHORITY will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family. The notice will inform the family of the right to appeal the KEENE HOUSING AUTHORITY's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

## 2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the KEENE HOUSING AUTHORITY to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the KEENE HOUSING AUTHORITY's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the KEENE HOUSING AUTHORITY shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

KEENE HOUSING AUTHORITY Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with KEENE HOUSING AUTHORITY staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

## 2-II.G. PHYSICAL ACCESSIBILITY

The KEENE HOUSING AUTHORITY must comply with a variety of regulations pertaining to physical accessibility, including the following.

- PIH 2002-01 (HA), Accessibility Notice
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The KEENE HOUSING AUTHORITY's policies concerning physical accessibility must be readily available to applicants and participant families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the KEENE HOUSING AUTHORITY's responsibilities with regard to physical accessibility.
- Notice PIH 2002-01(HA) Accessibility Notice (which must be posted in the Section 8 offices in a conspicuous place) summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The KEENE HOUSING AUTHORITY Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of KEENE HOUSING AUTHORITY facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the Section 8 program.

## 2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A KEENE HOUSING AUTHORITY's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the KEENE HOUSING AUTHORITY's grievance process [24 CFR 966.4(l)(3)(ii)].

When reviewing reasonable accommodation requests, the KEENE HOUSING AUTHORITY must consider whether reasonable accommodation will allow the family to overcome the problem that led to the KEENE HOUSING AUTHORITY's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the KEENE HOUSING AUTHORITY must make the accommodation [24 CFR 966.7].

In addition, the KEENE HOUSING AUTHORITY must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

## PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

### 2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the Section 8 program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal Register.*

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

LEP persons are defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are Section 8 applicants and participant families, and parents and family members of applicants and participant families.

In order to determine the level of access needed by LEP persons, the KEENE HOUSING AUTHORITY will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Section 8 program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the KEENE HOUSING AUTHORITY and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the KEENE HOUSING AUTHORITY.

### 2-III.B. ORAL INTERPRETATION

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

KEENE HOUSING AUTHORITY Policy

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

Where feasible, the KEENE HOUSING AUTHORITY will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other KEENE HOUSING AUTHORITYs, and will standardize documents. Where feasible and possible, the KEENE HOUSING AUTHORITY will encourage the use of qualified community volunteers.

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

## 2-III.C. WRITTEN TRANSLATION

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

KEENE HOUSING AUTHORITY Policy

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

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

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

## 2-III.D. IMPLEMENTATION PLAN

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

If the KEENE HOUSING AUTHORITY determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the KEENE HOUSING AUTHORITY's Section 8 program and services.

KEENE HOUSING AUTHORITY Policy

If it is determined that the KEENE HOUSING AUTHORITY serves very few LEP persons, and the KEENE HOUSING AUTHORITY has very limited resources, the KEENE HOUSING AUTHORITY will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

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

## EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3, 25.104, and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymtic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the KEENE HOUSING AUTHORITY) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the Section 8 program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

**The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the Section 8 program, yet an accommodation is needed to provide equal opportunity.**

## Chapter 3

## ELIGIBILITY

### INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the Section 8 program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.
To be eligible for the Section 8 program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for family members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.
Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.
Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny admission.

## PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

### 3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the Section 8 unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

## 3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.403 and HUD-50058 IB, p. 13]

The terms *family* and *household* have different meanings in the Section 8 program.

### Family

To be eligible for admission, an applicant must qualify as a family. *Family* is defined by HUD as a single person or a group of persons, a family with a child or children, two or more elderly or disabled persons living together, and one or more elderly or disabled persons living with one or more live-in aides. The PHA has the discretion to determine if any other group of persons qualifies as a family.

PHA Policy

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.

To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, the PHA will require applicants to demonstrate that the individuals have lived together previously, or certify that each individual's income and other resources will be available to meet the needs of the family.

### Household

*Household* is a broader term that includes additional people who, with the PHA's permission, live in a Section 8 unit, such as live-in aides, foster children, and foster adults.

## 3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

### Family Break-up

PHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may 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 living in Section 8, only one of the new families will continue to be assisted.

If a court determines the disposition of property between members of the applicant or participant family in a divorce or separation decree, the PHA will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the PHA will determine which family retains their placement on the waiting list, or will continue in occupancy taking 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) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

### Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of a participant family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

### 3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and subsidy. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

Keene Housing Authority Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

### 3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

Keene Housing Authority Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

Keene Housing Authority Policy

Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

### 3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

**Joint Custody of Dependents**

Keene Housing Authority Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

### 3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction (2) the income of such an FTS is treated differently from the income of other family members and (3) determining the eligibility status of full-time students applying to be Head, Co-Head or Spouse

### 3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY

**Elderly Persons**

An *elderly person* is a person who is at least 62 years of age [24 CFR 5.100].

**Near-Elderly Persons**

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62 [24 CFR 945.105].

**Elderly Family**

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person [24 CFR 5.403]. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

### 3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

**Persons with Disabilities**

Under the Section 8 program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the Section 8 program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

**Disabled Family**

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying admission for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from enforcing the lease following the policies in Chapter 13.

**Participant Self-Reliance Family**

An *RSR family* is a family whose head, spouse and or co-head are not disabled or elderly. An RSR family is required to participate in the Spectrum Step Rent and Participant Self-Reliance Program. (or any RSR family is any household that is does not meet the definition of an elderly or disabled household.) Elderly and disabled households have the option of participating in the Spectrum Step Rent and RSR program.

## 3-I.J. GUESTS

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to do so consent on behalf of the tenant.
The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests.

Keene Housing Authority Policy

A guest may stay in a unit no more than 14 days without written permission from the landlord. An adult person(s) making recurring visits, or one continuous visit, of 14 days and nights in a 45 day period without written consent of the landlord will be counted as household member(s) and considered a lease violation if the tenant failed to notify the landlord and receive prior approval from the landlord before permitting the guest to become a member of the household..

A guest can remain in the unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period.
A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.
Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the Section 8 unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.
Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the Family Obligations.

## 3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

*Foster adults* are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c) (2)].
The term *foster child* is not specifically defined by the regulations.
Foster children and foster adults that are living with an applicant or participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

Keene Housing Authority Policy

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

## 3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, and illness.

**Definitions of Temporarily and Permanently Absent**

Keene Housing Authority Policy

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must provide written notification to KHA for absences exceeding 30 days. The written notification must include expected dates of absence, reason for absence, and contact information while absent. Permission from the KHA is needed for absences **exceeding 3 months**. In the case of permission being needed, the KHA will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

Generally an individual who is or is expected to be absent from their unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from their unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

**Absent Students**

Keene Housing Authority Policy

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

**Absences Due to Placement in Foster Care [24 CFR 5.403]**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

Keene Housing Authority Policy

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

**Absent Head, Spouse, or Cohead**

Keene Housing Authority Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

**Individuals Confined for Medical Reasons**

Keene Housing Authority Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the Keene Housing Authority will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

**Return of Permanently Absent Family Members**

Keene Housing Authority Policy

The family must request Keene Housing Authority approval for the return of any adult family members that the Keene Housing Authority has determined to be permanently absent. If absent

for 6 months or more, **the** individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter. P.25

## 3-I.M. LIVE-IN AIDE

*Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in order to make the program accessible to and usable by a family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(c) (5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

Keene Housing Authority Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional of the family's choosing, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

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

The Keene Housing Authority will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 966.4(d) (3) (i)]:

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

The person has a history of drug-related criminal activity or violent criminal activity; or

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

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the Keene Housing Authority will notify the family of its decision in writing.

## PART II: BASIC ELIGIBILITY CRITERIA

### 3-II.A. INCOME ELIGIBILITY AND TARGETING

**Income Limits**

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the Section 8 program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

**Types of Low-Income Families**

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

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

*Extremely low-income family.* A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

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

**Using Income Limits for Eligibility**

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

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

At least 40 percent of the families admitted to the PHA's Section 8 and Housing Choice Voucher and Housing Assistance Coupon programs during a PHA fiscal year from the PHA waiting list must be *extremely low-income* families. This is called the "basic targeting requirement".

If admissions of extremely low-income families to the PHA's housing choice voucher program during a PHA fiscal year exceed the 75 percent minimum targeting requirement for that program, such excess shall be credited against the PHA's Section 8 basic targeting requirement for the same fiscal year.

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

- Ten percent of Section 8 waiting list admissions during the PHA fiscal year
- Ten percent of waiting list admission to the PHA's housing choice voucher program during the PHA fiscal year
- The number of qualifying low-income families who commence occupancy during the fiscal year of Section 8 units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

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

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

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

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

**Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

***U.S. Citizens and Nationals***

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

Keene Housing Authority Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

***Eligible Noncitizens***

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful participants of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

***Ineligible Noncitizens***

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

**Mixed Families**

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how subsidies are prorated, and Chapter 14 for a discussion of informal hearing procedures.

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

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

Keene Housing Authority Policy

The Keene Housing Authority will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen.

When the Keene Housing Authority determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 14.

**Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

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

If an individual qualifies for a time extension for the submission of required documents, the Keene Housing Authority 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.

Keene Housing Authority Policy

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

## 3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]

For every family member age 6 or older the family must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued. If a family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian [24 CFR 5.216(j)]. Assistance cannot be provided to a family until all SSN documentation requirements are met. A detailed discussion of acceptable documentation is provided in Chapter 7.

If a new member who is at least six years of age is added to the family, the new member's SSN documentation must be submitted at the family's next interim or regular reexamination, whichever comes first. If any member of the family who is at least six years of age obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

The Keene Housing Authority must deny admission to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

## 3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/
Privacy Act Notice and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.
The PHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the PHA to obtain information that the PHA has determined is necessary in administration of the Section 8 program [24 CFR 960.259(a) and (b)].

## 3-II.E. Determining and Verifying Eligibility of "Full-time" College Students of Non-parental/guardian Households (24 CFR 5.603).

LISTED IN TABLE A ARE REQUIRED ELIGIBILITY AND VERIFICATION STANDARDS THAT MUST BE MET PRIOR TO ADMITTING "FULL-TIME" COLLEGE STUDENTS TO PIH RENTAL ASSISTANCE PROGRAMS. A FULL-TIME STUDENT IS DEFINED AS A PERSON WHO IS ATTENDING SCHOOL OR VOCATIONAL TRAINING ON A FULL-TIME BASIS

| TABLE A — REQUIRED STEPS | |
|---|---|
| DETERMINATION OF ELIGIBILITY | VERIFICATION OF ELIGIBILITY |
| **The student must be of legal age or an emancipated minor under the state law.** | PHAs must obtain proof of age such as a valid driver's license, identification card issued by a federal, state, or local agency, identification issued by a medical insurance company, birth certificate, or other form of identification, as determined by the PHA. |
| The student must be income eligible for admission to the Section 8/HCV programs (24 CFR 960.201 and 982.201). | PHAs must verify all sources of reported family income, in accordance with 24 CFR 960.259 and 982.516. |

Listed in table B are suggested eligibility and verification standards and policies for admitting "full-time" college students. PHAs are encouraged to update their policies and implement the following regarding "full-time" college students.

| Table B — Suggested Steps | |
|---|---|
| DETERMINATION OF ELIGIBILITY | VERIFICATION OF ELIGIBILITY |
| Each college student within a household must provide a *written/signed certification* that the student does or does not anticipate receiving financial support from the student's parent(s) or guardian(s) and the amount of support | PHAs must verify, via independent third-party verification, all amounts anticipated to be received outside of the family during the 12-month period following admission and the effective date of the annual reexamination |
| The college student must have established a household separate from his/her parents or legal guardians for at least *one year* prior to applying to Section 8, voucher, or certificate programs | Obtain evidence of separate households by reviewing/verifying the address information that predates the student's application by a minimum of *one* year |

| | |
|---|---|
| The college student *must not be claimed* as a dependent by parent(s) or legal guardian(s) on their Internal Revenue Services (IRS) tax return | This may be achieved by requesting a copy of the college student's Form 1040EZ, 1040A, or 1040 tax returns for the prior year. Check the box that asks whether the student's parents (or someone else) can claim him/her on their tax return (See box "5" for Form 1040EZ and box "6a" for Forms 1040A and 1040). The PHA may also, if practicable, review the college student's parents' or guardians' tax returns. The college student must supply any information that the PHA or HUD determines is necessary in administration of Section 8, voucher, or certificate programs (24 CFR 960.259 and 982.551) |

## PART III: DENIAL OF ADMISSION

### 3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied admission. In addition, HUD requires or permits the PHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part.

### 3-III.B. REQUIRED DENIAL OF ADMISSION

PHAs are required to establish standards that prohibit admission of an applicant to the Section 8 program if they have engaged in certain criminal activity or if the PHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other participants.

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

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the PHA to admit an otherwise-eligible family if the household member has completed a Keene Housing Authority-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

  Keene Housing Authority Policy

  The Keene Housing Authority will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the Keene Housing Authority is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the Keene Housing Authority, or the person who committed the crime is no longer living in the household.

- The Keene Housing Authority determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b) (1)].

  Keene Housing Authority Policy

  *Currently engaged in* is defined as any use of illegal drugs during the previous six months.

- The Keene Housing Authority has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other participants.

  Keene Housing Authority Policy

  In determining reasonable cause, the Keene Housing Authority will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.

  Keene Housing Authority Policy

If any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine in any location, not just federally assisted housing, and the family will be denied assistance.

- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

  Keene Housing Authority Policy

  If any household member is currently registered as a sex offender under a state registration requirement, regardless of whether it is a lifetime registration requirement, the family will be denied assistance.

## 3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits, but does not require the PHA to deny admission for the reasons discussed in this section.

**Criminal Activity [24 CFR 960.203 (b) and (c)]**

The Keene Housing Authority may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants.

Keene Housing Authority Policy

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

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c) (3)].

Criminal activity that may threaten the health or safety of PHA staff, contractors, subcontractors, or agents.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past 5 years.

In making its decision to deny assistance, the Keene Housing Authority will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the Keene Housing Authority may, on a case-by-case basis, decide not to deny assistance.

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

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

In the event of the receipt of unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense).

Keene Housing Authority Policy

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

Has a record of eviction from housing or termination from participantial programs within the past five years (considering relevant circumstances)

Owes rent or other amounts to this or any other PHA or owner in connection with any assisted housing program

Has been evicted or terminated from any of the Keene Housing Authority's programs in the past 3 years.

Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

Has engaged in or threatened violent or abusive behavior toward PHA personnel

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

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

In making its decision to deny admission, the Keene Housing Authority will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the Keene Housing Authority may, on a case-by-case basis, decide not to deny admission.

The Keene Housing Authority will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

## 3-III.D. SCREENING

### Screening for Eligibility

Keene Housing Authority's are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the Section 8 program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

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

Keene Housing Authority Policy

The PHA will perform criminal background checks through local law enforcement for all adult household members.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the will request information from the National Crime Information Center (NCIC).

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

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

### *Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]*

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the Keene Housing Authority may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug

abuse treatment facility to inform the Keene Housing Authority whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.
*Drug Abuse Treatment Facility* means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.
*Currently engaging in illegal use of a drug* means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.
Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the Keene Housing Authority has made a final decision to either approve or deny the admission of such person.
Any charges incurred by the Keene Housing Authority for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the Keene Housing Authority chooses to obtain such information from drug abuse treatment facilities, it must implement the following policy:

Policy B: The Keene Housing Authority must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other participants.

If the Keene Housing Authority chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

Keene Housing Authority Policy

The Keene Housing Authority will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the PHA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

## 3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION

### Evidence

Keene Housing Authority Policy

The Keene Housing Authority will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

### Consideration of Circumstances [24 CFR 960.203(c) (3) and (d)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).
In the event the Keene Housing Authority receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, PHAs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

Keene Housing Authority Policy

The Keene Housing Authority will consider the following factors when making its decision:

The seriousness of the case, especially with respect to how it would affect other participants

The effects that denial of admission may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs
In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
The Keene Housing Authority will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

**Removal of a Family Member's Name from the Application [24 CFR 960.203(c) (3) (i)]**
HUD permits PHAs to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which warrants denial of admission, to not reside in the unit.

Keene Housing Authority Policy
As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest.
After admission to the program, the family must present evidence of the former family member's current address upon Keene Housing Authority request.

**Reasonable Accommodation [PH Occ GB, pp. 58-60]**
If the family includes a person with disabilities, the Keene Housing Authority's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

Keene Housing Authority Policy
If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the Keene Housing Authority will determine whether the behavior is related to the disability. If so, upon the family's request, the Keene Housing Authority will determine whether alternative measures are appropriate as a reasonable accommodation. The Keene Housing Authority will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

## 3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

The Keene Housing Authority will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a Keene Housing Authority uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the Keene Housing Authority can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

Keene Housing Authority Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the Keene Housing Authority will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the Keene Housing Authority to dispute the information within that 10 day period, the Keene Housing Authority will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

## EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

**Person with Disabilities [24 CFR 5.403]**

The term *person with disabilities* means a person who has any of the following types of conditions.

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:
  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months
  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i) (1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:
  A severe, chronic disability of a person 5 years of age or older which:
  - Is attributable to a mental or physical impairment or combination of mental and physical impairments
  - Is manifested before the person attains age twenty-two
  - Is likely to continue indefinitely
  - Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency
  - Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and

young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided."

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.
A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.
For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

**Individual with Handicaps [24 CFR 8.3]**

*Individual with handicaps* means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment

(c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

## Chapter 4

## APPLICATIONS, WAITING LIST AND TENANT SELECTION

### INTRODUCTION

When a family wishes to receive housing assistance or to reside in Section 8, the family must submit an application that provides the KEENE HOUSING AUTHORITY with the information needed to determine the family's eligibility. HUD requires the KEENE HOUSING AUTHORITY to place all eligible families that apply for Section 8 on a waiting list.

The KEENE HOUSING AUTHORITY is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the KEENE HOUSING AUTHORITY to receive preferential treatment.

HUD regulations require that the KEENE HOUSING AUTHORITY comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the KEENE HOUSING AUTHORITY will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and KEENE HOUSING AUTHORITY policies for taking applications, managing the waiting list and selecting families from the waiting list. The KEENE HOUSING AUTHORITYs policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the KEENE HOUSING AUTHORITY's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the KEENE HOUSING AUTHORITY will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the KEENE HOUSING AUTHORITY's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for Section 8. It also discusses the process the KEENE HOUSING AUTHORITY will use to keep the waiting list current.

Part III: Tenant Selection. This part describes the policies that guide the KEENE HOUSING AUTHORITY in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the KEENE HOUSING AUTHORITY has the information needed to make a final eligibility determination.

## PART I: THE APPLICATION PROCESS

### 4-I.A. OVERVIEW

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

## 4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to receive housing assistance or reside in Section 8 must apply for admission to the program [24 CFR 1.4(b) (2) (ii), 24 CFR 960.202(a) (2) (iv), and PH Occ GB, p. 68]. HUD permits the KEENE HOUSING AUTHORITY to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the KEENE HOUSING AUTHORITY.

KEENE HOUSING AUTHORITY Policy

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

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

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

Families may obtain application forms from the KEENE HOUSING AUTHORITY's office during normal business hours. Families may also request – by telephone or by mail that a form be sent to the family via first class mail.

Completed applications must be returned to the KEENE HOUSING AUTHORITY by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the KEENE HOUSING AUTHORITY for processing. If an application is incomplete, the KEENE HOUSING AUTHORITY will notify the family of the additional information required.

## 4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

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

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

The KEENE HOUSING AUTHORITY must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the KEENE HOUSING AUTHORITY must provide an alternate approach that provides equal access to the application process. Chapter 2 provides a full discussion of the KEENE HOUSING AUTHORITY's policies related to providing reasonable accommodations for people with disabilities.

### Limited English Proficiency

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

## 4-I.D. PLACEMENT ON THE WAITING LIST

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

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

### Ineligible for Placement on the Waiting List

KEENE HOUSING AUTHORITY Policy

If the KEENE HOUSING AUTHORITY can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the KEENE HOUSING AUTHORITY will send written notification of the ineligibility determination within 10 business days of receiving a completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 15).

### Eligible for Placement on the Waiting List

KEENE HOUSING AUTHORITY Policy

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

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

Applicants will be placed on the waiting list according to KEENE HOUSING AUTHORITY preference(s) and the date and time their complete application is received by the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY will assign families on the waiting list according to the date and time the application is returned to the Keene Housing Authority. However, KEENE HOUSING AUTHORITY does have special preferences (see Section 4-III.C).

## PART II: MANAGING THE WAITING LIST

### 4-II.A. OVERVIEW

The KEENE HOUSING AUTHORITY must have policies regarding the type of waiting list it will utilize as well as the various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for Section 8, and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the KEENE HOUSING AUTHORITY may structure its waiting list and how families must be treated if they apply for Section 8 at a KEENE HOUSING AUTHORITY that administers more than one assisted housing program.

### 4-II.B. ORGANIZATION OF THE WAITING LIST

The KEENE HOUSING AUTHORITY's Section 8 waiting list must be organized in such a manner to allow the KEENE HOUSING AUTHORITY to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

KEENE HOUSING AUTHORITY Policy

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

Name and social security number of head of household

Unit size required (number of family members)

Amount and source of annual income

Accessibility requirement, if any

Date and time of application or application number

Household type (family, elderly, disabled)

Admission preference, if any

Race and ethnicity of the head of household

The specific site(s) selected (only if KEENE HOUSING AUTHORITY offers site-based waiting lists)

The KEENE HOUSING AUTHORITY may adopt one community-wide waiting list or site-based waiting lists. The KEENE HOUSING AUTHORITY must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select

the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

HUD permits, but does not require, that PHA's maintain a single merged waiting list for their Section 8, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not merge the Section 8 waiting list with the waiting list for any other program the KEENE HOUSING AUTHORITY operates.

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

### Closing the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will keep the waiting lists for public housing open regardless of length.

### Reopening the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

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

***Keene Sentinel***

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

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

Because HUD requires the KEENE HOUSING AUTHORITY to serve a specified percentage of extremely low income families, the KEENE HOUSING AUTHORITY may need to conduct special outreach to ensure that an adequate number of such families apply for Section 8.

KEENE HOUSING AUTHORITY outreach efforts must comply with fair housing requirements. This includes:

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

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

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

KEENE HOUSING AUTHORITY Policy

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

## 4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

KEENE HOUSING AUTHORITY Policy

While the family is on the waiting list, the family must inform the KEENE HOUSING AUTHORITY, within 10 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

## 4-II.F. UPDATING THE WAITING LIST

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

### Purging the Waiting List

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

KEENE HOUSING AUTHORITY Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

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

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the KEENE HOUSING AUTHORITY not later than 15 business days from the date of the KEENE HOUSING AUTHORITY letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent. If the family fails to respond within this time frame, the family will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the KEENE HOUSING AUTHORITY from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the Programs and Services Manager may reinstate the family if s/he determines the lack of response was due to KEENE HOUSING AUTHORITY error, or to circumstances beyond the family's control.

**Removal from the Waiting List**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will remove applicants from the waiting list if they have requested that their name be removed. In such cases no informal hearing is required.

If the KEENE HOUSING AUTHORITY determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the KEENE HOUSING AUTHORITY has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the KEENE HOUSING AUTHORITY's decision (see Chapter 14) [24 CFR 960.208(a)].

## PART III: TENANT SELECTION

### 4-III.A. OVERVIEW

The KEENE HOUSING AUTHORITY must establish tenant selection policies for families being admitted into its programs or housing [24 CFR 960.201(a)]. The KEENE HOUSING AUTHORITY must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The KEENE HOUSING AUTHORITY must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the KEENE HOUSING AUTHORITY and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The KEENE HOUSING AUTHORITY must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the KEENE HOUSING AUTHORITY's selection policies [24 CFR 960.206(e)(2)]. The KEENE HOUSING AUTHORITY's policies must be posted any place where the KEENE HOUSING AUTHORITY receives applications. The KEENE HOUSING AUTHORITY must provide a copy of its tenant selection policies upon request to any applicant or tenant. The KEENE HOUSING AUTHORITY may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c) (2)].

KEENE HOUSING AUTHORITY Policy

When an applicant or participant family requests a copy of the KEENE HOUSING AUTHORITY's tenant selection policies, the KEENE HOUSING AUTHORITY will provide copies to them free of charge.

### 4-III.B. SELECTION METHOD

KEENE HOUSING AUTHORITYs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the KEENE HOUSING AUTHORITY will use.

**Local Preferences [24 CFR 960.206]**

KEENE HOUSING AUTHORITY is permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the KEENE HOUSING AUTHORITY to establish other local preferences, at its discretion. Any local preferences established must be consistent with the KEENE HOUSING AUTHORITY plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

**Income Targeting Requirement [24 CFR 960.202(b)]**

Admissions of extremely low-income families to the KEENE HOUSING AUTHORITY's HCV program during a KEENE HOUSING AUTHORITY fiscal year that exceed the 75% minimum target requirement for the voucher program, shall be credited against the KEENE HOUSING AUTHORITY's basic targeting requirement in the Section 8 program for the same fiscal year. However, under these circumstances the fiscal year credit to the Section 8 program must not exceed the lower of: (1) ten percent of Section 8 waiting list admissions during the KEENE HOUSING AUTHORITY fiscal year; (2) ten percent of waiting list admissions to the KEENE HOUSING AUTHORITY's housing choice voucher program during the KEENE HOUSING AUTHORITY fiscal year; or (3) the number of qualifying low-income

families who commence occupancy during the fiscal year of KEENE HOUSING AUTHORITY Section 8 units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

**Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]**

The KEENE HOUSING AUTHORITY's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the KEENE HOUSING AUTHORITY's deconcentration policies must be in included in its annual plan [24 CFR 903.7(b)].

The KEENE HOUSING AUTHORITY's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c) (5)].

***Steps for Implementation [24 CFR 903.2(c) (1)]***

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments.

KEENE HOUSING AUTHORITY Policy

It is the Keene Housing Authority's policy to provide for deconcentration of poverty an encourage income mixing in family developments through its Spectrum Moving to Work Program. Spectrum is designed to provide participants with opportunities for economic mobility and increases in income levels. Through economic uplift and self-sufficiency programs, KHA intends on achieving deconcentration. As part of the Moving to Work Annual Report, the Keene Housing Authority will analyze the impact of this program on deconcentration and adjust their strategy and policies accordingly to ensure the agency meets the deconcentration objective.

Depending on local circumstances the KEENE HOUSING AUTHORITY's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the KEENE HOUSING AUTHORITY in consultation with the participants and the community through the annual plan process to be responsive to local needs and KEENE HOUSING AUTHORITY strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the KEENE HOUSING AUTHORITY's deconcentration policy. The KEENE HOUSING AUTHORITY must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the KEENE HOUSING AUTHORITY's deconcentration policy [24 CFR 903.2(c)(4)].

## 4-III.C. SPECIAL PREFERENCES

### KHA Owned and Managed Properties Special Admission

Applicants who are offered and accept housing assistance for KHA owned or managed property will receive a preference for admission. It will be at the discretion of the Keene Housing Authority to determine whether or not the assistance issued will be in the form of a Housing Choice Voucher or Housing Assistance Coupon.

Order of Selection

KEENE HOUSING AUTHORITY Policy

Applicants will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA.

Preferences will be ranked in the following order with the first preference receiving the highest priority:

1. Natural Disaster/Governmental Displacement
2. KHA owned and managed properties
3. KHA Tenants for Homeownership Voucher Admission
4. Section 8 SPECTRUM Special Admission for Public Housing residents
5. **Continuum of Care Special Admission (HUD funded programs)**
6. **The Female Offender Reentry And Community Connections Program Graduates**

When selecting applicants from the waiting list the KHA will offer assistance to the highest ranking applicant.

It is possible that families who are lower on the waiting list may receive an offer of housing assistance ahead of families with an earlier date and time of application or lower preference status.

Factors such as income targeting will also be considered in accordance with HUD requirements and KHA policy.

### Natural Disaster/Governmental Displacement Preference

The Keene Housing Authority defines the Natural Disaster/Governmental Displacement Preference to include applicants who can document that they have been displaced by natural disaster declared by the Participant of the United States, or displaced, through no fault of their own, by governmental action.

### Shelter Housing Assistance Coupon

The Keene Housing Authority (KHA) under the auspices of the Moving to Work Demonstration Program is expanding its housing continuum to include shelter participants at the Roxbury Street Location. The housing authority recognizes the obstacles faced by the homeless population relative to their ability to access appropriate and affordable housing, and will offer Housing Assistance Coupon (HAC) to those single male individuals who qualify for assistance at the Roxbury Street Location. In addition, Special Admissions are granted to Section 8 Participants who meet the guidelines and to those who are moving into KHA Owned and Managed Property.

***Shelter Housing Assistance Coupon:***

*Single Male Individuals who have been residing at the Roxbury Street shelter for two weeks or more may come in and apply for a Housing Assistance Coupon. A preliminary letter of eligibility determination will*

*be sent out to the client within 4 weeks of application date. All applicants from the shelter will sign a release form at the Shelter authorizing MAHC to communicate with KHA regarding the applications of their participants. All written documentations will be carbon copied to the Case Manager of Homeless Services (139 Roxbury Street, Keene, NH 03431).*

*Approximately, three weeks before the applicant has completed and complied with the Shelter program MAHC will notify KHA (verbal notification is acceptable followed by an e-mail, fax, or letter) that the applicant is ready to complete the application process. KHA will mail a letter to the applicant informing him of the need to call and schedule an appointment with intake to complete the application process. At the time of the appointment—all verifications will be documented, including the criminal check.*

*A client must be in the Shelter program for AT LEAST three months and completed and complied with the Shelter program before he can be issued a Housing Assistance Coupon. Upon final written approval from MAHC, a letter will be sent to the client informing him of an appointment for the issuance of the HAC.*

**KHA-owned/managed Property Special Admission**

Applicants who are offered and accept a KHA-owned, controlled or managed eligible property will be admitted under a Special Admission.

**Section 8 SPECTRUM Special Admission**

The applicant is currently a participant in good standing in the SPECTRUM Housing Program as specified in the then currently approved plan for the program. Applicants who are current Section 8 participants in good standing who have been at the Step Rent Level III of the KHA SPECTRUM Program for six months or longer will be issued a coupon under Special Admission.

**KEENE HOUSING AUTHORITY Tenants (not funded by Section 8) for Homeownership Voucher Special Admission**

The applicant is currently a tenant in one of KEENE HOUSING AUTHORITY's properties and meets the eligibility for homeownership and is ready to purchase a home.

**Waiting list Admission to other housing assistance.**

The HAC program rules do not allow a participant to move during the first year of their lease (unless by a mutual agreement between the landlord and the tenant). Should the participant's name reach the top of the waiting list for other housing assistance at KHA during the first year of participation in the HAC program, KHA will allow them to retain their place on the waiting list as of their original application date. After completion of their initial twelve months, KHA will offer the HAC participant other housing options as they become available according to program guidelines.

## 4-III.D. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the KEENE HOUSING AUTHORITY must notify the family.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview?

Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

Documents that must be provided at the interview to document eligibility for a preference, if applicable

Other documents and information that should be brought to the interview

If a notification letter is returned to the KEENE HOUSING AUTHORITY with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the KEENE HOUSING AUTHORITY from making an eligibility determination; therefore no informal hearing will be offered.

## 4-III.E. THE APPLICATION INTERVIEW

HUD recommends that the KEENE HOUSING AUTHORITY obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

KEENE HOUSING AUTHORITY Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the KEENE HOUSING AUTHORITY.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the KEENE HOUSING AUTHORITY will proceed with the interview. If the KEENE HOUSING AUTHORITY determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the KEENE HOUSING AUTHORITY will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the KEENE HOUSING AUTHORITY will provide translation services in accordance with the KEENE HOUSING AUTHORITY's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the KEENE HOUSING AUTHORITY in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the KEENE HOUSING AUTHORITY will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without KEENE HOUSING AUTHORITY approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the KEENE HOUSING AUTHORITY from making an eligibility determination; therefore the KEENE HOUSING AUTHORITY will not offer an informal hearing.

## 4-III.F. FINAL ELIGIBILITY DETERMINATION

The KEENE HOUSING AUTHORITY must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including KEENE HOUSING AUTHORITY suitability standards, the KEENE HOUSING AUTHORITY must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of issuance insofar as that date can be reasonably determined.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined. (Notice of Eligibility)

The KEENE HOUSING AUTHORITY must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

KEENE HOUSING AUTHORITY Policy

If the KEENE HOUSING AUTHORITY determines that the family is ineligible, the KEENE HOUSING AUTHORITY will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (see Chapter 15).

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

Applicants will be placed on the waiting list according to KEENE HOUSING AUTHORITY preference(s) and the date and time their complete application is received by the KEENE HOUSING AUTHORITY.

## Chapter 5

## OCCUPANCY STANDARDS

### 5-I.A. OVERVIEW

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

### 5-I.B. DETERMINING UNIT SIZE

KEENE HOUSING AUTHORITYs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

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

The KEENE HOUSING AUTHORITY will reference the following standards in determining the appropriate unit bedroom size for a family. Living rooms may be counted as bedroom if the physical structure of the room is separated from other living spaces in the apartment. Refer to section on utility allowances to determine utility allowance.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use the same occupancy standards for its Section 8 as it does for each of its developments.

The KEENE HOUSING AUTHORITY will reference the following standards in determining the appropriate unit bedroom size for a family:

| BEDROOM SIZE | MINIMUM NUMBER OF PERSONS | MAXIMUM NUMBER OF PERSONS |
|---|---|---|
| 0 | 1 | 1 |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 4 | 8 |
| 5 | 6 | 10 |
| 6 | 8 | 12 |

## 5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

### Types of Exceptions

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will consider granting exceptions to the occupancy standards at the family's request if the KEENE HOUSING AUTHORITY determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances. For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities.

When evaluating exception requests the KEENE HOUSING AUTHORITY will consider the size and configuration of the unit. In no case will the KEENE HOUSING AUTHORITY grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the KEENE HOUSING AUTHORITY may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

### Processing of Exceptions

KEENE HOUSING AUTHORITY Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the KEENE HOUSING AUTHORITY will encourage the participant to make the request in writing using a reasonable accommodation request form. However, the KEENE HOUSING AUTHORITY will consider the exception request any time the participant indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The KEENE HOUSING AUTHORITY will notify the family of its decision within 10 business days of receiving the family's request.

## Chapter 6

## INCOME AND SUBSIDY DETERMINATIONS

### INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's subsidy payment. The KEENE HOUSING AUTHORITY will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and KEENE HOUSING AUTHORITY policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and KEENE HOUSING AUTHORITY policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the KEENE HOUSING AUTHORITY to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and KEENE HOUSING AUTHORITY policies for calculating adjusted income are found in Part II.

Part III: Calculating Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family subsidy payment. Also included here are flat rents and the family's choice in rents.

## PART I: ANNUAL INCOME

### 6-I.A. OVERVIEW

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

> 5.609 Annual income.
> (a) Annual income means all amounts, monetary or not, which:
> (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
> (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
> (3) Which are not specifically excluded in paragraph [5.609(c)]?
> (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are

integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

## 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

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

| Summary of Income Included and Excluded by Person | |
|---|---|
| Live-in aides | Income from all sources is excluded [24 CFR 5.609(c) (5)]. |
| Foster child or foster adult | Income from all sources is excluded [24 CFR 5.609(a) (1)]. |
| Head, spouse, or cohead<br>Other adult family members | All sources of income not specifically excluded by the regulations are included. |
| Children under 18 years of age | Employment income is excluded [24 CFR 5.609(c) (1)].<br>All other sources of income, except those specifically excluded by the regulations, are included. |
| Full-time students 18 years of age or older (not head, spouse, or cohead) | Employment income above $480/year is excluded [24 CFR 5.609(c) (11)].<br>All other sources of income, except those specifically excluded by the regulations, are included. |

**Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

KEENE HOUSING AUTHORITY Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

***Absent Students***

KEENE HOUSING AUTHORITY Policy

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

***Absences Due to Placement in Foster Care***

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

KEENE HOUSING AUTHORITY Policy

If a child has been placed in foster care, the KEENE HOUSING AUTHORITY will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

***Absent Head, Spouse, or Cohead***

KEENE HOUSING AUTHORITY Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

***Individuals Confined for Medical Reasons***

KEENE HOUSING AUTHORITY Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the KEENE HOUSING AUTHORITY will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

**Joint Custody of Children**

KEENE HOUSING AUTHORITY Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time. When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the KEENE HOUSING AUTHORITY will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

**Caretakers for a Child**

KEENE HOUSING AUTHORITY Policy

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

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the KEENE HOUSING AUTHORITY will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

Once a caretaker is determined to be a household member, the KEENE HOUSING AUTHORITY may assist the family at the caretaker's initial unit if it is a rental unit and it meets KHA requirements.

## 6-I.C. ANTICIPATING ANNUAL INCOME

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

**Basis of Annual Income Projection**

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

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The KEENE HOUSING AUTHORITY believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

KEENE HOUSING AUTHORITY Policy

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

***Known Changes in Income***

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

**Example:** An employer reports that a full-time employee who has been receiving $6/hour will begin to receive $6.25/hour in the eighth week after the effective date of the reexamination. In such a case the KEENE HOUSING AUTHORITY would calculate annual income as follows: ($6/hour × 40 hours × 7 weeks) + ($6.25 × 40 hours × 45 weeks).

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

**Using Up-Front Income Verification (UIV) to Project Income**

HUD strongly recommends the use of up-front income verification (UIV). UIV is "the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals" [PIH Notice 2004-01 Verification Guidance ("VG"), p. 7].

HUD allows KEENE HOUSING AUTHORITYs to use UIV information in conjunction with family-provided documents to anticipate income.

KEENE HOUSING AUTHORITY Policy

KEENE HOUSING AUTHORITY procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of the KEENE HOUSING AUTHORITY interview date.

The KEENE HOUSING AUTHORITY will follow "HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available" in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of $200 or more per month.

**No Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by less than $200 per month, the KEENE HOUSING AUTHORITY will follow these guidelines:

If the UIV figure is less than the family's figure, the KEENE HOUSING AUTHORITY will use the family's information.

If the UIV figure is more than the family's figure, the KEENE HOUSING AUTHORITY will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the KEENE HOUSING AUTHORITY will use the family-provided information.

**Substantial Difference.** If UIV information for a particular income source differs from the information provided by a family by $200 or more per month, the KEENE HOUSING AUTHORITY will follow these guidelines:

The KEENE HOUSING AUTHORITY will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b) (3) (i).

When the KEENE HOUSING AUTHORITY cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the KEENE HOUSING AUTHORITY will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The KEENE HOUSING AUTHORITY will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

The KEENE HOUSING AUTHORITY will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

## 6-I.D. EARNED INCOME

### Types of Earned Income Included in Annual Income

***Wages and Related Compensation [24 CFR 5.609(b) (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 is included in annual income.

KEENE HOUSING AUTHORITY Policy

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

***Some Types of Military Pay***

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

### Types of Earned Income Not Counted in Annual Income

***Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c) (9)]***

This type of income (including gifts) is not included in annual income.

KEENE HOUSING AUTHORITY Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

***Children's Earnings [24 CFR 5.609(c) (1)]***

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

***Certain Earned Income of Full-Time Students***

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

***Income of a Live-in Aide.***

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

***Income Earned under Certain Federal Programs [24 CFR 5.609(c) (17)]***

Income from some federal programs is specifically excluded from consideration as income, including:

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

***Participant Service Stipend [24 CFR 5.600(c) (8) (iv)]***

Amounts received under a participant service stipend are not included in annual income. A participant service stipend is a modest amount (not to exceed $200 per individual per month) received by a participant for performing a service for the KEENE 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, participant initiatives coordination, and serving as a member of the KEENE HOUSING AUTHORITY's governing board. No participant may receive more than one such stipend during the same period of time.

***State and Local Employment Training Program***

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

KEENE HOUSING AUTHORITY Policy

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

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

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

End of participation in a training program must be reported in accordance with the KEENE HOUSING AUTHORITY's reporting requirements (see chapter on reexaminations).

***HUD-Funded Training Programs***

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

KEENE HOUSING AUTHORITY Policy

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

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

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

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

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

**Eligibility**

This disallowance applies only to individuals in families already participating in the Section 8 program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to

encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

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

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority's Moving to Work Spectrum Program is required to all Section 8 participants. However, it is an option for all elderly and disabled families. The program promotes employment and increases in income among all adult family members. This program include services through the Participant Self-reliance program and a step rent system that is based on a flat rent based on bedroom size that increasing gradually over a period of five years. Since the step rent system is not based on income the principle of EID does not apply. Therefore, the KEENE HOUSING AUTHORITY does not apply the Earned Income Disallowance to step-rent families.

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

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

**Business Expenses**

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

KEENE HOUSING AUTHORITY Policy

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

**Business Expansion**

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

KEENE HOUSING AUTHORITY Policy

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

**Capital Indebtedness**

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

KEENE HOUSING AUTHORITY Policy

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

**Negative Business Income**

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

**Withdrawal of Cash or Assets from a Business**

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

KEENE HOUSING AUTHORITY Policy

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

**Co-owned Businesses**

KEENE HOUSING AUTHORITY Policy

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

## 6-I.G. ASSETS [24 CFR 5.609(b) (3) and 24 CFR 5.603(b)]

**Overview**

There is no asset limitation for participation in the Section 8 program. However, HUD requires that the KEENE HOUSING AUTHORITY include in annual income the "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b) (3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the KEENE HOUSING AUTHORITY must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

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

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

**General Policies**

***Income from Assets***

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

KEENE HOUSING AUTHORITY Policy

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

***Valuing Assets***

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

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

KEENE HOUSING AUTHORITY Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

***Lump-Sum Receipts***

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

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

When net family assets are $5,000 or less, the KEENE HOUSING AUTHORITY will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, the KEENE HOUSING AUTHORITY will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the KEENE HOUSING AUTHORITY to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a) (4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

KEENE HOUSING AUTHORITY Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the KEENE HOUSING AUTHORITY will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the KEENE HOUSING AUTHORITY will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the KEENE HOUSING AUTHORITY will prorate the asset evenly among all owners.

***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the KEENE HOUSING AUTHORITY to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

*Minimum Threshold*

The KEENE HOUSING AUTHORITY may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires.

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

*Separation or Divorce*

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

KEENE HOUSING AUTHORITY Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

*Foreclosure or Bankruptcy*

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

*Family Declaration*

KEENE HOUSING AUTHORITY Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The KEENE HOUSING AUTHORITY may verify the value of the assets disposed of if other information available to the KEENE HOUSING AUTHORITY does not appear to agree with the information reported by the family.

**Types of Assets**

***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

KEENE HOUSING AUTHORITY Policy

In determining the value of a checking account, the KEENE HOUSING AUTHORITY will use the average monthly balance for the last six months.

In determining the value of a savings account, the KEENE HOUSING AUTHORITY will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the KEENE HOUSING AUTHORITY will multiply the value of the account by the current rate of interest paid on the account.

***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

KEENE HOUSING AUTHORITY Policy

In determining the market value of an investment account, the KEENE HOUSING AUTHORITY will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the KEENE HOUSING AUTHORITY will calculate asset income based on the earnings for the most recent reporting period.

***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

KEENE HOUSING AUTHORITY Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the KEENE HOUSING AUTHORITY determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

***Trusts***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

*Revocable Trusts*

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

*Nonrevocable Trusts*

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

***Retirement Accounts***

*Company Retirement/Pension Accounts*

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the KEENE HOUSING AUTHORITY must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

*IRA, Keogh, and Similar Retirement Savings Accounts*

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

***Personal Property***

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

KEENE HOUSING AUTHORITY Policy

In determining the value of personal property held as an investment, the KEENE HOUSING AUTHORITY will use the family's estimate of the value. However, the KEENE HOUSING AUTHORITY also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal. Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

KEENE HOUSING AUTHORITY Policy

Necessary personal property consists of items such as clothing, furniture, household furnishings, jewelry that is not held as an investment, and vehicles, including those specially equipped for persons with disabilities.

*Life Insurance*
The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

## 6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

**Periodic Payments Included in Annual Income**

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b) (4) and (b) (3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

**Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b) (4)].

KEENE HOUSING AUTHORITY Policy
When a delayed-start payment is received and reported during the period in which the KEENE HOUSING AUTHORITY is processing an annual reexamination, the KEENE HOUSING AUTHORITY will adjust the tenant subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the KEENE HOUSING AUTHORITY.
See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

**Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]
  KEENE HOUSING AUTHORITY Policy
  The KEENE HOUSING AUTHORITY will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]

- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c) (17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b) (4)].

## 6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c) (3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

## 6-I.J. WELFARE ASSISTANCE

### Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

### Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The KEENE HOUSING AUTHORITY must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a Section 8 participant at the time the sanction was imposed.

#### *Covered Families*

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

#### *Imputed Income*

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the KEENE HOUSING AUTHORITY must include in annual income "imputed" welfare income. The KEENE HOUSING AUTHORITY must request that the welfare agency inform the KEENE HOUSING AUTHORITY when the benefits of a Section 8 participant are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b) (2)].

For special procedures related to grievance hearings based upon the KEENE HOUSING AUTHORITY's denial of a family's request to lower subsidy when the family experiences a welfare benefit reduction, see Chapter 15.

#### *Offsets*

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c) (4)].

## 6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b) (7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

**Alimony and Child Support**

The KEENE HOUSING AUTHORITY must count alimony or child support amounts awarded as part of a divorce or separation agreement.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will count court-awarded amounts for alimony and child support unless the KEENE HOUSING AUTHORITY verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

**Regular Contributions or Gifts**

The KEENE HOUSING AUTHORITY must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b) (7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c) (9)].

KEENE HOUSING AUTHORITY Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the KEENE HOUSING AUTHORITY. For contributions that may vary from month to month (e.g., utility payments), the KEENE HOUSING AUTHORITY will include an average amount based upon past history.

## 6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c) (17)]. HUD publishes an updated list of these exclusions periodically. It includes:
  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
  (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
  (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
  (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
  (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
  (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
  (h) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
  (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu)
  (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
  (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
  (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
  (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
  (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
  (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
  (p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
  (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spinal bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)
  (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)

(s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

## PART II: ADJUSTED INCOME

### 6-II.A. INTRODUCTION

**Overview**

HUD regulations require KEENE HOUSING AUTHORITYs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

> 5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (KEENE HOUSING AUTHORITY) must deduct the following amounts from annual income:
> (1) $480 for each dependent;
> (2) $400 for any elderly family or disabled family;
> (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
> (i) Unreimbursed medical expenses of any elderly family or disabled family;
> (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
> (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

**Standard Deduction for Elderly and Disabled Households: Moving to Work Waiver**

KEENE HOUSING AUTHORITY Policy

The Keene Housing Authority will provide a standard deduction of $1500 for all elderly and disabled households. This deduction includes any qualifying medical, disability assistance expenses, child care expenses and the elderly household deduction of $400. It does not include the $480 deduction per household dependent. Households with qualifying dependents would receive an additional deduction of $480 per qualifying dependent in the household in addition to the standard deduction of $1500. 3% of gross income will be deducted from the $1100 medical portion of the standard deduction. Households that would experience a rent burden higher than 30% of their adjusted income would be eligible to receive a deduction based on their verified and actual qualifying expenses plus the $400 elderly/disabled household deduction.

**Anticipating Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.B. DEPENDENT DEDUCTION

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

## 6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

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

## 6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a) (3) (i)]

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

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

**Definition of *Medical Expenses***

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

KEENE HOUSING AUTHORITY Policy

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

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

**Families That Qualify for Both Medical and Disability Assistance Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a) (3) (ii)]

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

**Earned Income Limit on the Disability Assistance Expense Deduction**

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

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

KEENE HOUSING AUTHORITY Policy

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

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

**Eligible Disability Expenses**

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

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

***Eligible Auxiliary Apparatus***

KEENE HOUSING AUTHORITY Policy

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

***Eligible Attendant Care***

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

KEENE HOUSING AUTHORITY Policy

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

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

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

***Payments to Family Members***

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

**Necessary and Reasonable Expenses**

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

KEENE HOUSING AUTHORITY Policy

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

**Families That Qualify for Both Medical and Disability Assistance Expenses**

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.F. CHILD CARE EXPENSE DEDUCTION

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

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

that are living in the assisted family's household are included when determining the family's child care expenses.

**Qualifying for the Deduction**

***Determining Who Is Enabled to Pursue an Eligible Activity***

KEENE HOUSING AUTHORITY Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

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

***Seeking Work***

KEENE HOUSING AUTHORITY Policy

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

***Furthering Education***

KEENE HOUSING AUTHORITY Policy

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

***Being Gainfully Employed***

KEENE HOUSING AUTHORITY Policy

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

**Earned Income Limit on Child Care Expense Deduction**

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

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

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

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

KEENE HOUSING AUTHORITY Policy

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

**Eligible Child Care Expenses**

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

***Allowable Child Care Activities***

KEENE HOUSING AUTHORITY Policy

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

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

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

***Necessary and Reasonable Costs***

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

KEENE HOUSING AUTHORITY Policy

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

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

## 6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b) (1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the KEENE HOUSING AUTHORITY offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128]. The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than $90,000 per year.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY has opted not to use permissive deductions.

# PART III: CALCULATING SUBSIDY

## 6-III.A. OVERVIEW

All families, including elderly and disabled, are considered to be participants in the MTW Spectrum program. All Keene Housing Authority Section 8 and Section 8 Housing Assistance Coupon participants, with the exception of people with disabilities and the elderly, are required to participate in the RSR and Spectrum stepped rent programs. An *RSR family* is a family whose head, spouse and or co-head are not disabled or elderly. An RSR family is required to participate in the Spectrum Step Rent and Participant Self-Reliance Program. (or any RSR family is any household that is does not meet the definition of an elderly or disabled household.) Elderly and disabled households have the option of participating in the Spectrum Step Rent and RSR program.

There are three major components of the Spectrum MTW Program:

- Step Rent System
- Safety Net
- Participant Self-Reliance Program

### Maximum Subsidy

KHA will annually review its payment standard and will establish a payment standard that assures maximum housing choices for families' at the most cost effective and efficient manner.

***Welfare Rent [24 CFR 5.628]***

KEENE HOUSING AUTHORITY Policy

Welfare rent is $293.00

***Minimum Rent [24 CFR 5.630]***

KEENE HOUSING AUTHORITY Policy

The minimum rent for Section 8 families is currently $0. The minimum rent is $50 (as of 1/1/05).

## 6-III.B INCOME-BASED METHOD OF SUBSIDY CALCULATIONS

The first step in calculating income-based subsidy is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the KEENE

HOUSING AUTHORITY. KEENE HOUSING AUTHORITY will not send a utility reimbursement to families as of their 2006 annual date.

For a participating family the Payment Standard is determined by family size.
When issuing a coupon, the applicant (or participant if moving) must be given information on the minimum the family is expected to contribute to housing costs and the maximum subsidy that the KHA can pay. The monetary information given will be based on the bedroom size for which the family qualifies. However, the Payment Standard that will be used when applicants enter the program will be the lower of:

- The payment standard for the family unit size; or
- The payment standard for the unit size rented by the family
- The gross rent

If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be considered when determining the payment standard at the next annual reexamination.

**Assistance and Subsidy Formulas—Income Based [24 CFR 5.628]**
HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the KEENE HOUSING AUTHORITY

## 6-III.C. STEP-RENT CALCULATIONS

**Effective 10-01-06**

| Bedroom Size | Step 1 | Step 2 | Step 3 |
|---|---|---|---|
| One | VPS-20% of GMI | $400 | $250 |
| Two | VPS-20% of GMI | $500 | $320 |
| Three+ | VPS-20% of GMI | $600 | $380 |

The HAC Step Subsidies are designed to gradually reduce the amount of housing assistance. Under the KHA's SPECTRUM Housing Assistance Coupon program, subsidies are calculated using the step subsidy level method for families required to participate in the Resident Self-Reliance program.

**1st Step Level Subsidy**
During a family's first year in the HAC Step Subsidy program The Step 1 subsidy is calculated by using the greater of the following formulas:

- Subtracting 20% of the household's gross income from the Voucher Payment Standard for the appropriate bedroom size, or
- Voucher Payment Standard minus Welfare Rent (if eligible), or
- Voucher Payment Standard minus Minimum Rent of $50

Subsidy is not be less than the Step 3 subsidy amount.

Families who are experiencing a hardship may apply for Safety Net assistance providing they meet all of the qualifications as defined in the section on Safety Net in this chapter.

**2nd Step Subsidy**
The Step 2 subsidy is calculated using 55% of the Voucher Payment Standard (VPS) for the bedroom size rounded to the nearest ten dollars. A family's assistance will be reduced to the 2nd Step Subsidy at the start of their second year in the program. The amounts are adjusted on an annual basis to reflect changes in the VPS.

**3rd Step Subsidy**
The Step 3 subsidy is calculated using 35% of the VPS for the bedroom size rounded to the nearest ten dollars. A family's assistance will be reduced to the 3rd step subsidy at the start of their 4th year in the program. The amounts are adjusted on an annual basis to reflect changes in the VPS.

Households entering the program with subsidy levels calculated to be greater than the Step 3 subsidy but less than the Step 2 subsidy will receive the Step 2 subsidy for three years until the start of their fourth year during which their assistance will be reduced to the 3rd step subsidy. Those families entering the program with subsidy levels calculated to be less than the Step 3 subsidy amount, the families will receive the Step 3 subsidy for five year.

The payment standard that will be used when applicants enter the program will be the lower of:

- The payment standard for the family unit size; or
- The payment standard for the unit size rented by the family (if smaller size) or
- The gross rent

**Continued Assistance**
Prior to the end of the fifth year, when the program would normally end, the participant may request to be recertified for the program. If reasonable progress toward the mutually agreed upon RSR goals has been made, and the participant's situation warrants, the KHA may, at its sole discretion, elect to extend the HAC for two years at a rate to be determined by the participant's circumstances.

There is **a $50.00** minimum rent under the Housing Assistance Coupon Program (Step Subsidy). However, families experiencing financial difficulties can apply to Safety Net—See Safety Net Program

**HAP amount for all families**

The amount a family receives depends on:

- The annual income level at admittance to the HAC program AND
- The number of bedrooms for which the family qualifies AND
- The number of bedrooms in the rental unit AND
- The number of years in the program.
-

**Manufactured Home Space Rental**

The payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.

The space rent is the sum of the following as determined by the Housing Authority:

- Rent to the owner for the manufactured home space;
- Owner maintenance and management charges for the space; and

- Utility allowance for tenant paid utilities.

HAC equals:

- The difference between the payment standard minus the total tenant payment/HAC Step Amount; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located.

**6-III.D. SAFETY NET**

KEENE HOUSING AUTHORITY Policy

The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows participants to work off a portion of their rent by completing jobs for the Keene Housing Authority, follow a payment arrangement or be granted additional subsidy assistance. Tenants who work to pay rent receive an hourly rental credit toward their rent balance. Safety Net is not meant to take the place of full-time employment for the tenants who are able to work. Participants are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship. Rather than adjust the subsidy each time a tenant's income changes, SPECTRUM's rent system simulates the private market where rent is fixed and not negotiable when there is a decrease in income.

Safety Net Eligibility Guidelines

RSR families who receive Section 8 or Housing Assistance Coupon assistance may apply for the Safety Net. Applicants must provide appropriate verification and complete required paperwork for the application and submit by the deadline or within ten days of the change. All reported changes should be verified according to the verification guidelines set forth in this policy. Applicants must meet all three of the following criteria to be eligible for Safety Net.

a. In good standing with the KHA
b. In compliance with the RSR program
c. Income eligible: participant pays more than 30% of their income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional hardship criteria such as:

1. Presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work
3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the articipant's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Income based families experiencing a decrease in income that would result in a 5% or greater increase in their Total Tenant Payment.
6. HUD Defined hardships listed below:

If a participant becomes temporarily disabled and is in the RSR program, verification is sent to determine the length of the disability. The participant will remain in the RSR program while disabled; however, the Safety Net subsidy will be income-based for the length of disability and will not be paid back or worked off. Prior to the end of the disability time-frame, Keene Housing Authority staff will re-verify the

disability if the tenant is requesting we continue their participation in Safety Net. Once the disability status has been verified to end, the subsidy will return to the appropriate step level subsidy. The five-year timeframe of the RSR program is not halted during Safety Net regardless of cause and time length.

**HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

KEENE HOUSING AUTHORITY Policy

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

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

(2) The family would be evicted because it is unable to pay their rent because they have a rent burden over 30% of the gross income.

KEENE HOUSING AUTHORITY Policy

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

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

KEENE HOUSING AUTHORITY Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).Once a tenant has been accepted into the Safety Net program they must sign an amendment to their lease that adjusts their rent for a specified time frame.

**Resident Self-Reliance Program (RSR)**

An RSR family is a family whose head, spouse or co-head are not disabled or elderly. An RSR family is required to participate in the Spectrum Step Rent Program. If the household's status changes during occupancy and a household that previously qualified as an elderly/disabled household no longer meets the definition of such, their status changes to that of an RSR family and they are required to participate in the Step Rent and RSR programs. Their first year's subsidy will be calculated as if they were a new tenant and start at Step Rent Level 1. If a household was previously in the Step Rent and RSR program, they would return at the same level they were at when they left the program unless it has been over five years. In that case, they would start at Step Rent Level 1.

Elderly and disabled households who elect to participate in the Step Rent and RSR programs may chose to return to the income based method at their annual recertification. However, once they elect to return to the income-based method of subsidy calculation, they will not have the option of returning to the Step Rent method of subsidy calculation at future annuals unless their household status changes.

Near elderly families may chose to elect the income based method of subsidy calculation and opt out of the RSR program requirements at the end of their initial five year period once they have reached elderly status, age 62 or over.

## 6-III.E. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

### Overview

Utility allowances are provided to families paying income-based subsidies when the cost of utilities is not included in the rent. When determining a family's income-based subsidy, the KEENE HOUSING AUTHORITY must use the utility allowance applicable to the type of dwelling unit leased by the family. For policies on establishing and updating utility allowances, see Chapter 16.

### Reasonable Accommodation [24 CFR 8]

On request from a family, KEENE HOUSING AUTHORITYs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability Participants with disabilities may not be charged for the use of certain participant-supplied appliances if there is a verified need for special equipment because of the disability.
See Chapter 2 for policies related to reasonable accommodations.

### Utility Allowance Revisions [24 CFR 965.507]

The KEENE HOUSING AUTHORITY must review its schedule of utility allowances each year. Between annual reviews, the KEENE HOUSING AUTHORITY must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to participant payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].
The tenant subsidy calculations must reflect any changes in the KEENE HOUSING AUTHORITY's utility allowance schedule [24 CFR 960.253(c) (3)].

KEENE HOUSING AUTHORITY Policy

Unless the KEENE HOUSING AUTHORITY is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's subsidy calculations at the first annual reexamination after the allowance is adopted.

### Utility Reimbursement [24 CFR 960.253(c) (3)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the KEENE HOUSING AUTHORITY to pay the reimbursement to the family or directly to the utility provider.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will make utility reimbursements to the family.

## 6-III.F. PRORATED SUBSIDY 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 KEENE HOUSING AUTHORITY must prorate the assistance provided to a mixed family. The KEENE HOUSING AUTHORITY will first determine TTP as if all family members were eligible and then prorate the subsidy based upon the number of family members that actually are eligible. To do this, the KEENE HOUSING AUTHORITY must:

- Find the prorated HAC by dividing the HAC by the total number of family members, and then multiplying the result by the number of eligible family members.
- Obtain the prorated family share by subtracting the prorated HAC from the gross rent (contract rent plus utility allowance).
- The prorated tenant subsidy equals the prorated family share minus the full utility allowance.

## EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

**24 CFR 5.609**

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

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

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

(3) Which are not specifically excluded in paragraph (c) of 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.

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

(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 as authorized in paragraph (b) (2) of this section. Any withdrawal of cash or assets 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 the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic 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 as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(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[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

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[1] Text of 45 CFR 260.31 follows (next page).

(ii) 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 shall consist 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 paragraph shall be the amount resulting from one application of the percentage.

(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 as provided in paragraph (c) (7) of this section)

## HHS DEFINITION OF "ASSISTANCE"

**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

## EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

**24 CFR 5.609**

*(c) Annual income does not include the following:*

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a participant service stipend. A participant service stipend is a modest amount (not to exceed $200 per month) received by a participant for performing a service for the KEENE 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, participant initiatives coordination, and serving as a member of the KEENE HOUSING AUTHORITY's governing board. No participant may receive more than one such stipend during the same period of time;

(v) 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 participant 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

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

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

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

(16) Amounts paid by a State agency to a family with a 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

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to KEENE HOUSING AUTHORITYs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

| Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits |
|---|

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L-94-540, 90 Stat. 2503-04);

h) The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

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## EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

**24 CFR 5.603(b) Net Family Assets**

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, KEENE HOUSING AUTHORITYs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

## EXHIBIT 6-4: THE EFFECT OF WELFARE BENEFIT REDUCTION

**24 CFR 5.615**

**Section 8 program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in Section 8 (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

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

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefits reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the KEENE HOUSING AUTHORITY by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the KEENE HOUSING AUTHORITY, the welfare agency will inform the KEENE HOUSING AUTHORITY in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the KEENE HOUSING AUTHORITY of any subsequent changes in the term or amount of such specified welfare benefit reduction. The KEENE HOUSING AUTHORITY will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the KEENE HOUSING AUTHORITY's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the KEENE HOUSING AUTHORITY by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The KEENE HOUSING AUTHORITY may not include imputed welfare income in annual income if the family was not an assisted participant at the time of sanction.

*(d) Review of KEENE HOUSING AUTHORITY decision.*

(1) Section 8. If a Section 8 tenant claims that the KEENE HOUSING AUTHORITY has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the KEENE HOUSING AUTHORITY denies the family's request to modify such amount, the KEENE HOUSING AUTHORITY shall give the tenant written notice of such denial, with a brief explanation of the basis for the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income. The KEENE HOUSING AUTHORITY notice shall also state that if the tenant does not agree with the KEENE HOUSING AUTHORITY determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the KEENE HOUSING AUTHORITY determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the KEENE HOUSING AUTHORITY determination.

(2) Section 8 participants. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the KEENE HOUSING AUTHORITY denies the family's request to modify such amount, the KEENE HOUSING AUTHORITY shall give the family written notice of such denial, with a brief explanation of the basis for the KEENE HOUSING AUTHORITY determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the KEENE HOUSING AUTHORITY determination, the family may request an informal hearing on the determination under the KEENE HOUSING AUTHORITY hearing procedure.

*(e) KEENE HOUSING AUTHORITY relation with welfare agency.*

(1) The KEENE HOUSING AUTHORITY must ask welfare agencies to inform the KEENE HOUSING AUTHORITY of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the KEENE HOUSING AUTHORITY written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The KEENE HOUSING AUTHORITY is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the KEENE HOUSING AUTHORITY. However, the KEENE HOUSING AUTHORITY is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, or for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The KEENE HOUSING AUTHORITY shall be entitled to rely on the welfare agency notice to the KEENE HOUSING AUTHORITY of the welfare agency's determination of a specified welfare benefits reduction.

## Chapter 7

## VERIFICATION
[24 CFR 960.259, 24 CFR 5.230]

### INTRODUCTION
The KEENE HOUSING AUTHORITY must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and tenants must cooperate with the verification process as a condition of receiving assistance. The KEENE HOUSING AUTHORITY must not pass on the cost of verification to the family.

The KEENE HOUSING AUTHORITY will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance ("VG") and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary KEENE HOUSING AUTHORITY policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies established by the KEENE HOUSING AUTHORITY.

## PART I: GENERAL VERIFICATION REQUIREMENTS

### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION
**[24 CFR 960.259, 24 CFR 5.230]**

The family must supply any information that the KEENE HOUSING AUTHORITY or HUD determines is necessary to the administration of the program and must consent to KEENE HOUSING AUTHORITY verification of that information [24 CFR 960.259(a)(1)].

**Consent Forms**

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the KEENE HOUSING AUTHORITY may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

**Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the KEENE HOUSING AUTHORITY will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the KEENE HOUSING AUTHORITY's grievance procedures.

## 7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

### HUD's Verification Hierarchy [VG, p. 11-14]

HUD authorizes the KEENE HOUSING AUTHORITY to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the KEENE HOUSING AUTHORITY to use the most reliable form of verification that is available and to document the reasons when the KEENE HOUSING AUTHORITY uses a lesser form of verification.

KEENE HOUSING AUTHORITY Policy

In order of priority, the forms of verification that the KEENE HOUSING AUTHORITY will use are:

Up-front Income Verification (UIV) whenever available
Third-party Written Verification
Third-party Oral Verification
Review of Documents
Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the Verification Guidance that provides guidance with respect to how each method may be used.

### Requirements for Acceptable Documents

KEENE HOUSING AUTHORITY Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 90 calendar days of the date they are provided to the KEENE HOUSING AUTHORITY. The documents must not be damaged, altered or in any way illegible.

The KEENE HOUSING AUTHORITY will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the KEENE HOUSING AUTHORITY would accept the most recent report.

Print-outs from web pages are considered original documents.

The KEENE HOUSING AUTHORITY staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the KEENE HOUSING AUTHORITY and must be signed in the presence of a KEENE HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

### File Documentation

The KEENE HOUSING AUTHORITY must document in the file how the figures used in income and subsidy calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the KEENE HOUSING AUTHORITY has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## 7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the KEENE HOUSING AUTHORITY's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the KEENE HOUSING AUTHORITY has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the KEENE HOUSING AUTHORITY's informal review/hearing processes.

**Definition of Substantial Difference**

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. In "HUD Guidelines for Projecting Annual Income When UIV Data is Available," HUD recommends using $200 per month as the threshold for a substantial difference. The KEENE HOUSING AUTHORITY will use the $200 per month as the threshold for a substantial difference.

See Chapter 6 for the KEENE HOUSING AUTHORITY's policies on the definition of substantial difference and the use of UIV to project annual income and for the KEENE HOUSING AUTHORITY's threshold for substantial difference.

**When No Substantial Difference Exists**

If UIV information does not differ substantially from family information, the UIV documentation may serve as third-party written verification.

**When a Substantial Difference Exists [24 CFR 5.236(b)]**

When there is a substantial difference between the information provided by the UIV source and the family, the KEENE HOUSING AUTHORITY must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

## 7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

### Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the KEENE HOUSING AUTHORITY to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The KEENE HOUSING AUTHORITY may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The KEENE HOUSING AUTHORITY will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the KEENE HOUSING AUTHORITY will request third-party oral verification.

The KEENE HOUSING AUTHORITY will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, KEENE HOUSING AUTHORITY staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the KEENE HOUSING AUTHORITY will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the KEENE HOUSING AUTHORITY will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the KEENE HOUSING AUTHORITY will use any information provided orally in combination with reviewing family-provided documents (see below).

### When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the KEENE HOUSING AUTHORITY will use the information from documents on a provisional basis. If the KEENE HOUSING AUTHORITY later receives third-party verification that differs from the amounts used in income and subsidy determinations and it is past the deadline for processing the reexamination, the KEENE HOUSING AUTHORITY will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of the KEENE HOUSING AUTHORITY's interim reexamination policy.

### When Third-Party Verification is Not Required

***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

*Certain Assets and Expenses*
The KEENE HOUSING AUTHORITY may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].
The KEENE HOUSING AUTHORITY may determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than $500 annually and the family has original documents that support the declared amount.

*Certain Income, Asset and Expense Sources*
The KEENE HOUSING AUTHORITY will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the KEENE HOUSING AUTHORITY will rely upon review of documents when the KEENE HOUSING AUTHORITY determines that a third party's privacy rules prohibit the source from disclosing information.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the KEENE HOUSING AUTHORITY will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## 7-I.E. REVIEW OF DOCUMENTS

### Using Review of Documents as Verification

KEENE HOUSING AUTHORITY Policy

If the KEENE HOUSING AUTHORITY has determined that third-party verification is not available or not required, the KEENE HOUSING AUTHORITY will use documents provided by the family as verification.

The KEENE HOUSING AUTHORITY may also review documents when necessary to help clarify information provided by third parties. In such cases the KEENE HOUSING AUTHORITY will document in the file how the KEENE HOUSING AUTHORITY arrived at a final conclusion about the income or expense to include in its calculations.

## 7-I.F. SELF-CERTIFICATION

KEENE HOUSING AUTHORITY Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the KEENE HOUSING AUTHORITY.

The KEENE HOUSING AUTHORITY may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the KEENE HOUSING AUTHORITY and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a KEENE

HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

## PART II: VERIFYING FAMILY INFORMATION

### 7-II.A. VERIFICATION OF LEGAL IDENTITY

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will require families to furnish verification of legal identity for each household member.

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

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

If none of these documents can be provided and at the KEENE HOUSING AUTHORITY's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the KEENE HOUSING AUTHORITY and be signed in the presence of a KEENE HOUSING AUTHORITY representative or KEENE HOUSING AUTHORITY notary public.

Legal identity will be verified on an as needed basis.

### 7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV, p. 5-12]

For every family member age 6 or older, the family must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will also accept the following documents as evidence if the SSN is provided on the document:

Driver's license

Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union

Payroll stubs

Benefit award letters from government agencies; retirement benefit letters; life insurance policies

Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the KEENE HOUSING AUTHORITY will require a self-certification stating that documentation of the SSN cannot be provided at this time. The KEENE HOUSING AUTHORITY will require documentation of the SSN within 60 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, the KEENE HOUSING AUTHORITY will grant an additional 60 calendar days to provide documentation.

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

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination. In addition, if a child reaches the age of 6 and has no SSN, the parent or guardian must execute a self-certification stating that the child has no SSN at the next regularly scheduled reexamination.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

## 7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

KEENE HOUSING AUTHORITY Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the KEENE HOUSING AUTHORITY will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

## 7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

KEENE HOUSING AUTHORITY Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

**Marriage**

KEENE HOUSING AUTHORITY Policy

Certification by the head of household is normally sufficient verification. If the KEENE HOUSING AUTHORITY has reasonable doubts about a marital relationship, the KEENE HOUSING AUTHORITY will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

**Separation or Divorce**

KEENE HOUSING AUTHORITY Policy

Certification by the head of household is normally sufficient verification. If the KEENE HOUSING AUTHORITY has reasonable doubts about a separation or divorce, the KEENE HOUSING AUTHORITY will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

**Absence of Adult Member**

KEENE HOUSING AUTHORITY Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

**Foster Children and Foster Adults**

KEENE HOUSING AUTHORITY Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## 7-II.E. VERIFICATION OF STUDENT STATUS

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

## 7-II.F. DOCUMENTATION OF DISABILITY

The KEENE HOUSING AUTHORITY must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The KEENE HOUSING AUTHORITY is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The KEENE HOUSING AUTHORITY may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the KEENE HOUSING AUTHORITY receives a verification document that provides such information, the KEENE HOUSING AUTHORITY will not place this information in the tenant file. Under no circumstances will the KEENE HOUSING AUTHORITY request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at **www.os.dhhs.gov**.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

**Family Members Receiving SSA Disability Benefits**

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

KEENE HOUSING AUTHORITY Policy

For family members claiming disability who receive SSI or other disability payments from the SSA, the KEENE HOUSING AUTHORITY will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available, or HUD's Tenant Assessment Subsystem (TASS). If documentation from HUD's EIV System or TASS is not available, the KEENE HOUSING AUTHORITY will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the applicant or participant receives the benefit verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

**Family Members Not Receiving SSA Disability Benefits**

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

KEENE HOUSING AUTHORITY Policy

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## 7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

**Overview**

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and KEENE HOUSING AUTHORITY verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g) (5)]

**U.S. Citizens and Nationals**

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The KEENE HOUSING AUTHORITY may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

KEENE HOUSING AUTHORITY Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the KEENE HOUSING AUTHORITY receives information indicating that an individual's declaration may not be accurate.

**Eligible Immigrants**

***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

***KEENE HOUSING AUTHORITY Verification*** [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the KEENE HOUSING AUTHORITY must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The KEENE HOUSING AUTHORITY will follow all USCIS protocols for verification of eligible immigration status.

## 7-II.H. VERIFICATION OF PREFERENCE STATUS

The KEENE HOUSING AUTHORITY must verify any preferences claimed by an applicant.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY does not offer any preferences with exception of Federal Emergency Preferences.

# PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides KEENE HOUSING AUTHORITY policies that supplement the general verification procedures specified in Part I of this chapter.

## 7-III.A. EARNED INCOME

**Tips**

KEENE HOUSING AUTHORITY Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

## 7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

KEENE HOUSING AUTHORITY Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

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

The KEENE HOUSING AUTHORITY will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the KEENE HOUSING AUTHORITY may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the KEENE HOUSING AUTHORITY will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the KEENE HOUSING AUTHORITY will require the family to provide documentation of income and expenses for this period and use that information to project income.

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

### Social Security/SSI Benefits

KEENE HOUSING AUTHORITY Policy

To verify the SS/SSI benefits of applicants, the KEENE HOUSING AUTHORITY will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the applicant has received the benefit verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

To verify the SS/SSI benefits of participants, the KEENE HOUSING AUTHORITY will obtain information about social security/SSI benefits through the HUD EIV System or the Tenant Assessment Subsystem (TASS). If benefit information is not available in HUD systems, the KEENE HOUSING AUTHORITY will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the KEENE HOUSING AUTHORITY will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from **www.ssa.gov**. Once the participant has received the benefit verification letter they will be required to provide it to the KEENE HOUSING AUTHORITY.

## 7-III.D. ALIMONY OR CHILD SUPPORT

KEENE HOUSING AUTHORITY Policy

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

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

If payments are made through a state or local entity, the KEENE HOUSING AUTHORITY will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules
Copy of the latest check and/or payment stubs
Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

## 7-III.E. ASSETS AND INCOME FROM ASSETS

### Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The KEENE HOUSING AUTHORITY needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will verify the value of assets disposed of only if:

The KEENE HOUSING AUTHORITY does not already have a reasonable estimation of its value from previously collected information, or
The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a $10,000 certificate of deposit at the last annual reexamination and the KEENE HOUSING AUTHORITY verified this amount. Now the person reports that she has given this $10,000 to her son. The KEENE HOUSING AUTHORITY has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the KEENE HOUSING AUTHORITY will verify the value of this asset.

## 7-III.F. NET INCOME FROM RENTAL PROPERTY

KEENE HOUSING AUTHORITY Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant
A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the KEENE HOUSING AUTHORITY will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance

and utilities, and bank statements or amortization schedules showing monthly interest expense.

### 7-III.G. RETIREMENT ACCOUNTS

KEENE HOUSING AUTHORITY Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

*Upon* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

*After* retirement, the KEENE HOUSING AUTHORITY will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

### 7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The KEENE HOUSING AUTHORITY must obtain verification for income exclusions only if, without verification, the KEENE HOUSING AUTHORITY would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the KEENE HOUSING AUTHORITY will confirm that KEENE HOUSING AUTHORITY records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family's subsidy (as is the case with the earned income disallowance). In all other cases, the KEENE HOUSING AUTHORITY will report the amount to be excluded as indicated on documents provided by the family.

### 7-III.I. ZERO ANNUAL INCOME STATUS

Families claiming to have no annual income will be required to execute verification forms to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household.

## PART IV: VERIFYING MANDATORY DEDUCTIONS

### 7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the KEENE HOUSING AUTHORITY verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

**Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The KEENE HOUSING AUTHORITY will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

**Elderly/Disabled Family Deduction**

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The KEENE HOUSING AUTHORITY will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

### 7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the KEENE HOUSING AUTHORITY will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The KEENE HOUSING AUTHORITY will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the KEENE HOUSING AUTHORITY must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

**Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities. The KEENE HOUSING AUTHORITY will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

**Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the KEENE HOUSING AUTHORITY's policy on what counts as a medical expense.

**Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

**Expenses Incurred in Past Years**

KEENE HOUSING AUTHORITY Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the KEENE HOUSING AUTHORITY will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years.

## 7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

***Attendant Care***

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

***Auxiliary Apparatus***

KEENE HOUSING AUTHORITY Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the KEENE HOUSING AUTHORITY must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).

- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

**Family Member is a Person with Disabilities**
To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The KEENE HOUSING AUTHORITY will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

**Family Member(s) Permitted to Work**
The KEENE HOUSING AUTHORITY must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

KEENE HOUSING AUTHORITY Policy
The KEENE HOUSING AUTHORITY will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).
If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

**Unreimbursed Expenses**
To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy
An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.
The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

## 7-IV.D. CHILD CARE EXPENSES
Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the KEENE HOUSING AUTHORITY must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

**Eligible Child**
To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The KEENE HOUSING AUTHORITY will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

**Unreimbursed Expense**
To be eligible for the child care deduction, the costs must not be reimbursed by another source.

KEENE HOUSING AUTHORITY Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

**Pursuing an Eligible Activity**

The KEENE HOUSING AUTHORITY must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

KEENE HOUSING AUTHORITY Policy

*Information to be Gathered*

The KEENE HOUSING AUTHORITY will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

*Seeking Work*

Whenever possible the KEENE HOUSING AUTHORITY will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the KEENE HOUSING AUTHORITY will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the KEENE HOUSING AUTHORITY any reports provided to the other agency.

In the event third-party verification is not available, the KEENE HOUSING AUTHORITY will provide the family with a form on which the family member must record job search efforts. The KEENE HOUSING AUTHORITY will review this information at each subsequent reexamination for which this deduction is claimed.

*Furthering Education*

The KEENE HOUSING AUTHORITY will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

*Gainful Employment*

The KEENE HOUSING AUTHORITY will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

**Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The KEENE HOUSING AUTHORITY will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The KEENE HOUSING AUTHORITY will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

**Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

KEENE HOUSING AUTHORITY Policy

The actual costs the family incurs will be compared with the KEENE HOUSING AUTHORITY's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the KEENE HOUSING AUTHORITY will request additional documentation, as required, to support a determination that the higher cost is appropriate.

## Exhibit 7-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)

| | |
|---|---|
| **Upfront (UIV)** | **Highest (Highly Recommended, highest level of third party verification)** |
| **Written 3rd Party** | **High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)** |
| **Oral 3rd Party** | **Medium (Mandatory if written third party verification is not available)** |
| **Document Review** | **Medium-Low (Use on provisional basis)** |
| **Tenant Declaration** | **Low (Use as a last resort)** |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | |
| Wages/Salaries | Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information. | In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information. | When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| | Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information. | The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form. | | | |
| | Use of HUD systems, when available. | | | | |
| **Verification of Employment Income:** The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.<br>**Effective Date of Employment:** The PHA should always confirm start and termination dates of employment. | | | | | |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Self-Employment | Not Available | The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information. | The PHA may call the source to obtain income information. | The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. **Note:** The PHA must document in the tenant file, the reason third party verification was not obtained. | The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| **Verification of Self-Employment Income:** Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement. | | | | | |
| Social Security Benefits | Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports. | The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)** | The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)** | The PHA may accept an original SSA Notice from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |
| Welfare Benefits | Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person. | The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information. | The PHA may call the local Social Services Agency to obtain current benefit amount. | The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. | The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available. |

| Income Type | Upfront | Written Third Party | Oral Third Party | Document Review | Tenant Declaration |
|---|---|---|---|---|---|
| | (LEVEL 5) | (LEVEL 4) | (LEVEL 3) | (LEVEL 2) | (LEVEL 1) |
| Assets | Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person. | The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information. | The PHA may call the source to obtain asset and asset income information. | The PHA may review original documents provided by the tenant. **Note: The PHA must document in the tenant file, the reason third party verification was not available.** | The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. **Note: The PHA must document in the tenant file, the reason third party verification was not available.** |
| **Comments** | Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review. | **Note:** The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source. | The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount. | | The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. **Notarized statement should include a perjury penalty statement.** |

**Note:** The PHA must not pass verification costs along to the participant.

**Note:** In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)

**Exhibit 7-2: Summary of Documentation Requirements for Noncitizens**
**[HCV GB, pp. 5-9 and 5-10)**

<table>
<tr><td colspan="2">

- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the KEENE HOUSING AUTHORITY.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

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**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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<tr><td colspan="2">

**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

</td></tr>
<tr><td>

- Form I-551 Alien Registration Receipt Card (for permanent participant aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - "Admitted as a Refugee Pursuant to Section 207"
  - "Section 208" or "Asylum"
  - "Section 243(h)" or "Deportation stayed by Attorney General"
  - "Paroled Pursuant to Section 221 (d)(5) of the USCIS"

</td><td>

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

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<tr><td>

- Form I-688 Temporary Participant Card annotated "Section 245A" or Section 210".

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Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".

</td></tr>
<tr><td colspan="2">

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

</td></tr>
</table>

## Chapter 8
## ISSUING AND LEASING

### 8-I.A. BRIEFING

When the KHA selects a family from the waiting list, the family will be sent a letter scheduling a briefing explaining how the program works. In order to receive a HAC the family is required to attend the briefing. If they cannot attend the originally scheduled briefing, they may attend a later session. If the family fails to attend two briefings without good cause, they will be denied admission.

Families required to enroll in the RSR program will receive a separate briefing on the RSR program requirements as well as how the HAC program will work for them.

If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, the Housing Authority will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, the Housing Authority will give primary consideration to the requests of the applicant. Families unable to attend a briefing due to a disability may request a reasonable accommodation such as having the briefing presented at an alternate location.

The briefing will cover at least the following subjects:

- A description of how the program works;
- Family and owner responsibilities;
- Where the family may rent a unit.
- Types of eligible housing;
- An explanation of the rent structure and the family's responsibility for making rent payments.

### 8-I.B. PACKET

During the briefing, the Housing Authority will give the family a packet covering at least the following subjects:

- The term of the HAC and the Housing Authority's policy on extensions and suspensions of the term.
- How the Housing Authority determines the housing assistance payment and total tenant payment for the family;
- Information on the payment standard, exception payment standard rent areas, and the utility allowance schedule;
- How the Housing Authority determines the maximum subsidy for an assisted unit;

- Where the family may lease a unit. For families qualified to lease outside the Housing Authority's jurisdiction, the packet includes an explanation of how portability works;

- The Apartment and Landlord Certification form and an explanation of how to notify the Housing Authority that the family is entering into a lease;

- A statement of the Housing Authority's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing the Housing Authority to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, the Housing Authority will also supply any factual information or third party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity or any violent criminal activity;

- The Housing Authority's subsidy standards, including when the Housing Authority will consider granting exceptions to the standards;

- The HUD brochure on how to select a unit ("A Good Place to Live"—modified for the Housing Assistance Coupon Program) and a detailed explanation of the Housing Quality Standards.

- The HUD-required lead-based paint brochure and an explanation of Lead Based Paint Poisoning; Receipt of brochure is acknowledged at update.

- Information on Federal, State, and local equal opportunity laws; the brochure "Fair Housing: It's Your Right;" and a copy of the housing discrimination complaint form;

- Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to the KHA that may be available;

- The family's obligations under the program;

- The grounds upon which the Housing Authority may terminate assistance because of the family's action or inaction;

- KHA informal hearing procedures, including when the Housing Authority is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and

- The KHA owner information brochure. This brochure can be given by the applicant to a prospective owner to help explain the program.

- Portability information-requirements, process, and procedure.

## 8-I.C. ISSUANCE OF HAC FOR APPROVAL OF TENANCY

Once all family information has been verified, their eligibility determined, their estimated subsidy calculated, and they have attended the family briefing, the KHA will issue the HAC and an Apartment and Landlord Certification form. At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the family will notify the KHA, the following points will be covered:

- The amount of the contract rent and utilities—is it reasonable; is it affordable?
- A review that the rental unit meets the HQS
- Verification that the rental unit is in KHA's jurisdiction
- If KHA is to conduct HQS inspection—applicant is reminded not to sign a lease until completion of KHA inspection.

The owner and applicant will complete and sign a proposed lease, and the owner will certify on the Apartment and Landlord Certification form that the unit meets Housing Quality Standards and Lead Based Paint requirements or the owner may request an initial inspection be conducted by the Keene Housing Authority. The family will submit the proposed lease, and Apartment and Landlord Certification form to the Housing Authority during the term of the HAC. The Housing Authority will review the Apartment and Landlord Certification form and make an initial determination of approval of tenancy. The Housing Authority may assist the family in negotiating changes that may be required for the tenancy to be approvable. The Housing Authority will promptly notify the family whether the tenancy is approvable.

During the initial stage of qualifying the unit, the Housing Authority will provide the prospective owner with information regarding the program. Information will include Housing Authority and owner responsibilities for screening and other essential program elements.

Additional screening is the responsibility of the owner. Upon request by a prospective owner, the Housing Authority will provide any factual information or third party written information they have relevant to a family's history of, or ability to, comply with standard material lease terms.

## 8-I.D. TERM OF THE HAC

The initial term of the HAC will be 90 days and will be stated on the Housing Assistance Coupon. Request for extensions beyond 90 days must be made in writing (or by phone if necessary due to reasonable accommodations) to the Tenant Based Assistance Coordinator. If it appears that efforts are being made to obtain housing, a 30 day extension will be given. Individuals with disabilities or for reasons listed below, Keene Housing Authority will be allowed up to an additional 30 days, based on the particular situation and circumstances as explained to the Tenant Based Assistance Coordinator. The Coordinator will assess the request using the guidelines for evaluating requests for reasonable accommodation.

Factors to be considered in requesting an extension of the coupon include the following:

- Extenuating circumstances of the family such as death or illness, which prevented the family from finding a unit.
- Previous submissions of Apartment/Landlord Certification Forms were disapproved.
- Family size or other special requirements which make it difficult to find a unit.
- Evidence of serious attempt made to secure housing in the form of a list of landlords contacted during the search time.

- Upon submittal of a completed lease and Apartment and Landlord Certification form, the KHA will suspend the term of the HAC. The term will be in suspension until the date the Housing Authority provides notice that the rental unit has been approved or denied. This policy allows families the full term to find a unit, not penalizing them for the period during which the Housing Authority is taking action on their request.

## 8-I.E. APPROVAL TO LEASE A UNIT

The KHA will approve a lease if all of the following conditions are met:

- The unit is eligible;
- The owner/landlord certifies that the unit passes HQS and signs the Apartment and Landlord Certification form or unit passes KHA inspection;
- The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the Housing Authority; and
- The family continues to meet all eligibility and screening criteria.
- If tenancy approval is denied, the Housing Authority will advise the family in writing and advise them also of any actions they could take that would enable the Housing Authority to approve the tenancy.

The effective date of assistance may begin only after all of the following conditions are met:

- The owner/landlord signs the Apartment and Landlord Certification form;
- The Housing Authority approves the leasing of the unit; and
- Both parties sign the lease.

The Housing Authority will sign the HAC contract when the unit is approved for tenancy. The Housing Authority will not pay any housing assistance to the participant until the HAC is executed.

### Rent Reasonableness

KHA will provide training to new participants in how to determine if the rent being asked for a unit is reasonable. Participants will be trained to address location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities and comparable units. Additionally, participants will be trained in negotiating rents and rent increases.

## 8-I.F. KHA DISAPPROVAL OF OWNER

The Housing Authority will deny participation by an owner at the direction of HUD. The Housing Authority will also deny the owner's participation for any of the following reasons:

- The owner has violated any obligations under a Housing Assistance Coupon Payments Contract;
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with HQS for units leased under HAC or with applicable housing standards for units leased with project-based HAC assistance or leased under any other Federal housing program;
- The owner has a history or practice of renting units that fail to meet State or local codes; or
- The owner has not paid State or local real estate taxes, fines, or assessments.
- The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the premises by tenants, KHA employees or owner employees; or residences by neighbors;
- Other conflicts of interest under Federal, State, or local law.

## 8-I.G. INELIGIBLE/ELIGIBLE HOUSING

The following types of housing cannot be assisted under the Housing Assistance Coupon Program:

- A Section 8 or Indian housing unit;
- A unit receiving project-based assistance under a Section 8 Program;
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- College or other school dormitories;
- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- A unit occupied by its owner. This restriction does not apply to cooperatives, shared housing or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and

- A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The KHA may approve a lease for any of the following special housing types, including a reasonable accommodation for a family with disabilities:

- Congregate housing
- Group homes
- Shared housing
- Cooperative housing
- Single room occupancy housing

All of the above housing types will require an inspection by the Keene Housing Authority. Landlords will not be allowed to self-certify.

The KHA may approve leases for the following housing types:

- Single family dwellings
- Apartments
- Manufactured housing
- Manufactured home space rentals
- House boats

## 8-I.H. SECURITY DEPOSIT

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice and not in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant.

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

## Chapter 9
## INSPECTIONS, HQS, AND DAMAGE CONTROL

### INTRODUCTION

Keene Housing Authority will do all initial inspections for all units. The owner/landlord may request that KHA conduct the annual inspection; however, landlords will be encouraged to do their own annual inspections. The owner/landlord may change designation at any time. No unit will be initially placed on the Housing Assistance Coupon Program unless the HQS is met.

Annual Inspections must be completed by KHA or landlord within 30 days of the annual date of the last inspection.

The KHA must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. Photographs will be taken during inspections conducted by the Keene Housing Authority if and when it is deemed necessary to document an existing condition that would constitute a housing quality standard deficiency. Refusal by a tenant or property owner to allow photographs to be taken of (a) deficient condition(s) shall constitute an automatic inspection failure.

The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make prior arrangements to enable the Keene Housing Authority to enter the unit and complete the inspection. If the family misses two scheduled appointments, KHA will mail a third notice stating that if the family does not contact KHA within 5 days to schedule inspection, the family's rental assistance will be terminated as the family has violated a Family Obligation.

No unit will be initially placed on the Housing Assistance Coupon Program unless the HQS is met. Annual Inspections must be completed by KHA or landlord before the annual date of the last inspection.

If the family misses two scheduled appointments, KHA will mail a third notice stating that if the family does not contact KHA within 5 days to schedule inspection, the family's rental assistance will be terminated as the family has violated a Family Obligation.

### 9.I.A. TYPES OF INSPECTIONS

- Initial inspections: Keene Housing Authority will conduct all initial inspections for all units.
- Annual inspection- An inspection done by landlord or KHA each year -required by HUD.
- Complaint Inspection - An inspection caused by the Authority receiving a complaint on the unit by anyone.
- Special Inspection - An inspection caused by a third party, i.e. HUD, needing to view the unit.
- Emergency - An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- Move Out Inspection (if applicable) - An inspection required for units in service before October 2, 1995, and optional after that date. These inspections document the condition of the unit at the time of the move-out.

- Quality Control Inspection – At least 5 percent of all units self-certified during the year will be inspected. If more than 20 percent of those units fail inspection, the number of inspections will increase to 25 percent.

## 9.I.B. OWNER AND FAMILY RESPONSIBILITY

### Owner Responsibility for HQS

- The owner must maintain the unit in accordance with HQS.

- If the owner fails to maintain the dwelling unit in accordance with HQS, the KHA will take prompt and vigorous action to enforce the owner obligations. The KHA's remedies for such breach of the HQS include termination, suspension or reduction of the HAC.

- The KHA will not permit a HAC to be used for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the KHA. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects the owner must correct the defect within no more than 30 calendar days (or any KHA approved extension).

- The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the KHA may terminate assistance to a family because of the HQS breach caused by the family.

- The owner is responsible for permitting KHA to conduct a quality control inspection of the unit, following at least 48 hours notice.

### Family Responsibility for HQS

The family is responsible for a breach of the HQS that is caused by any of the following:

  - The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;

  - The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or

  - Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).

- If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any KHA approved extension).

- If the family has caused a breach of the HQS, the KHA will take prompt and vigorous action to enforce the family obligations. The KHA may terminate assistance for the family in accordance with 24 CFR 982.552.

## 9.I.C. HOUSING QUALITY STANDARDS (HQS) 24 CFR 982.401

This Section states performance and acceptability criteria for these key aspects of the following housing quality standards:

Sanitary Facilities

Performance Requirements

- The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

Acceptability Criteria

- The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.

- The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

Food Preparation and Refuse Disposal

Performance Requirements

- The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

Acceptability Criteria

- The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

- The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.

- The dwelling unit must have space for the storage, preparation, and serving of food.

- There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

Space and security

Performance Requirement

- The dwelling unit must provide adequate space and security for the family.

Acceptability Criteria

- At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.

- The dwelling unit must have at least one bedroom or living/ sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

- Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.

- The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

Thermal Environment

Performance Requirement

- The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

Acceptability Criteria

- There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
- The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

Illumination and Electricity

Performance Requirement

- Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

Acceptability Criteria

- There must be at least one window in the living room and in each sleeping room.
- The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
- The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

Structure and Materials

Performance Requirement

- The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

Acceptability Criteria

- Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

- The roof must be structurally sound and weather tight.

- The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.

- The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.

- Elevators must be working and safe.

Interior Air Quality

Performance Requirement

- The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

Acceptability Criteria

- The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- There must be adequate air circulation in the dwelling unit.
- Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.

- Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

Water Supply

Performance Requirements

- The water supply must be free from contamination.

Acceptability Criteria

- The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

Lead-based Paint

Definitions

- Chewable surface: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.

- Component: An element of a participantial structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, and stair treads in a common stairwell, or an exterior wall.
- Deteriorated paint includes any painted surface that is cracking, peeling, chipping, and cracking, chalking, damaged or otherwise separated from the substrate.
- Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart. **[See Section 17.I.D.)**
- HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm2), or 0.5 percent by weight or 5000 parts per million (PPM).

Performance Requirements

- The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b) (4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.

- The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.

- If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for deteriorated paint. If deteriorated paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.

- The Housing Authority may exempt from such treatment deteriorated paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- Treatment of deteriorated paint surfaces required under this Section must be completed within 30 calendar days of Housing Authority notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces with in the 30-day period, treatment as required by paragraph k of this Section may be delayed for a reasonable time.

- The Lead Based Paint Regulations apply to:

    - All painted interior surfaces within the unit including: walls, floor, ceilings, doors, door frames, window systems including mullions, sills or frames and any other painted building component within the unit (excluding furniture).

    - The entrance and hallway providing access to a unit in a multi-unit building; and

    - All exterior surfaces associated with the assisted unit including windows, window sills, exterior walls, floors, porches, railings, doors, decks, stairs, play areas, garages, fences or other areas frequented by children under the age of six.

- In addition to the requirements of paragraph c of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.

- Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.

- The requirements in paragraph g of this Section apply to all painted surfaces as stated in paragraph f.

- In lieu of the procedures set forth in paragraph g of this Section, the housing authority may, at its discretion, waive the testing requirement and require the owner to treat all

interior and exterior chewable surfaces in accordance with the methods set out in paragraph k of this Section.

- Treatment of deteriorated paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:

- A defective paint surface shall be treated if the total area of defective paint on a component is:

    - More than 10 square feet on an exterior wall;

    - More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;

    - More than 10 percent of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.

    - Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

    - Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydroblasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.

    - During exterior treatment soil and playground equipment must be protected from contamination.

    - All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.

    - Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.

- The owner must take appropriate action to protect participants and their belongings from hazards associated with treatment procedures. Participants must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.

- Prior to execution of the HAC contract, the owner must inform the Housing Authority and the family of any knowledge of the presence of lead-based paint on the surfaces of the participantial unit.

- The Housing Authority must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the Housing Authority must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, the Housing Authority must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a HAC to move.

- The Housing Authority must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the Housing Authority must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this Section, such chewable surfaces do not have to be tested or treated at any subsequent time.

- The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

Access

Performance Requirements

- The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

Site and Neighborhood

Performance Requirements

- The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

Acceptability Criteria

- The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

Sanitary Condition

Performance Requirements

- The dwelling unit and its equipment must be in sanitary condition.

Acceptability Criteria

- The dwelling unit and its equipment must be free of vermin and rodent infestation.

Smoke Detectors

Performance Requirements

- Except as provided in paragraph b below of this Section, each dwelling unit must have at least one operating hard-wired smoke detector and there must be a smoke detector on each level of the dwelling unit. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If any hearing-impaired person occupies the dwelling unit, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

- For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

## 9.I.D. TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS

### Correcting KHA-Inspected Initial HQS Fail Items

- The KHA will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of an Apartment/Landlord Certification Form The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the KHA to reschedule a re-inspection when the repairs have been properly completed.

- On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

### HQS Fail Items for Units under Contract

- The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant

will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

- If the owner fails to correct the HQS failed items after proper notification has been given, the KHA will stop the Housing Assistance Coupon payment and inform both the participant and the landlord that rental assistance is terminated in accordance with the landlord obligations The participant will be given an opportunity for a Move Appointment. ( there is no section 12.7)
- If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the KHA will terminate assistance for the family in accordance with Family Obligations.

**Timeframes for Corrections**

- Emergency repair items must be abated within 24 hours.
- Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
- Non-emergency items must be completed within 10 days of the initial inspection.
- For major repairs, the owner will have up to 30 days to complete.

**Extensions**

- At the sole discretion of the KHA, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, the KHA will stop the Housing Assistance Coupon payment and inform both the participant and the landlord that rental assistance is terminated. The participant will be given an opportunity for a Move Appointment. . Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

**Emergency Fail Items**

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- No hot or cold water
- No electricity
- Inability to maintain adequate heat
- Major plumbing leak
- Natural gas leak

- Broken lock(s) on first floor doors or windows
- Broken windows that unduly allow weather elements into the unit
- Electrical outlet smoking or sparking
- Exposed electrical wires, which could result in shock or fire
- Unusable toilet when only one toilet is present in the unit
- Security risks such as broken doors or windows that would allow intrusion
- Other conditions which pose an immediate threat to health or safety

**9.I.E. Abatement**

When a unit fails to meet HQS and the owner has been given an opportunity to correct the deficiencies, but has failed to do so within in the required timeframe, the subsidy for the dwelling unit will be abated for up to 30 days. When the deficiencies are corrected, the KHA will end the abatement the day the unit passes inspection. Subsidy will resume the following day and be paid the first day of the next month.

For tenant caused HQS deficiencies, the owner will not be held accountable and the subsidy will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the KHA will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

## Chapter 10
## KHA/OWNER RESPONSIBILITY/ FAMILY OBLIGATIONS

### 10-I.A. KHA RESPONSIBLITY

The KHA will comply with the consolidated ACC, Moving to Work Agreement, the application, HUD regulations and other requirements, and the KHA HAC Administrative Plan for the Housing Assistance Coupon.

In administering the program, the KHA must:

- Publish and/or disseminate information about the availability and nature of housing assistance under the program;
- Explain the program to owners and families;
- Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;
- Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
- Affirmatively further fair housing goals and comply with equal opportunity requirements;
- Make efforts to help disabled persons find satisfactory housing;
- Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a HAC to each selected family, and provide housing information to families selected;
- Determine who can live in the assisted unit at admission and during the family's participation in the program;
- Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
- Review the family's Housing Assistance Coupon and the owner/landlord certification
- Determine the amount of the value of the HAC;
- Train participants in how to determine if rent is reasonable;
- Operate a comprehensive Participant Self-Reliance Program;
- Make timely housing assistance payments to families in accordance with the HAC Coupon/Addendum;
- Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;

- Establish and adjust KHA utility allowance;
- Determine whether to terminate assistance to a participant family for violation of family obligations, HAC Contract or RSR Contract
- Conduct informal reviews of certain KHA decisions concerning applicants for participation in the program;
- Conduct informal hearings on certain KHA decisions concerning participant families;
- Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and
- Operate a Landlord Protection Fund

## 10-I.B. OWNER RESPONSIBILITY

The owner is responsible for performing all of the owner's obligations under the HAC and the lease.

The owner is responsible for:

- Performing all management and rental functions for the assisted unit, including selecting a family to lease the unit, and deciding if the family is suitable for tenancy of the unit.
- Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance.
- Complying with equal opportunity requirements.
- Preparing and furnishing to the KHA information required under the HAC Coupon.
- Collecting from the family:
  - Any security deposit required under the lease.
  - The rent.
  - Any charges for unit damage by the family.
  - Enforcing tenant obligations under the lease.
- Paying for utilities and services (unless paid by the family under the lease.)
- Providing KHA copies of any eviction notices provided to the family within three days of the family being served.
- For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.

## 10-I.C. FAMILY OBLIGATIONS

This Section states the obligations of a participant family under the program.

- Supplying required information.
    - The family must supply any information that the KHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
    - The family must supply any information requested by the KHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
      **The following policy applies to families whose subsidy is calculated using the income based method, it does not apply to HCV's issued to KHA owned and managed properties. Families are not required to report increases in income until their next annual reexamination. Families may request interims be conducted for decreases in income of over $50 a month. If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the change will be noted in the tenant file but an interim reexamination will not be conducted.**
    - The family must disclose and verify Social Security Numbers of all family members age six or older as a condition of admission and continued assistance. Persons who have not been assigned a social security number must execute a certification stating that no social security number has been assigned.
    - The family must sign and submit consent forms for obtaining information.
    - Any information supplied by the family must be true and complete.
- HQS breach caused by the Family--The family is responsible for any HQS breach caused by the family or its guests.
- Allowing KHA Inspection
    - The family must allow the KHA to inspect the unit at reasonable times and after at least 2 days notice.
- Violation of Lease--The family may not commit any serious or repeated violation of the lease. The family must pay their rent in a timely manner according to the terms of the lease they have with their landlord.
- Family Notice of Move or Lease Termination—the family must notify the KHA and the owner before the family moves out of the unit or terminates the lease by a notice to the owner in accordance with the provisions of the lease. If the lease does not specify a timeframe in which notice must be given, the family must provide the owner and KHA thirty (30) days written notice.
- Owner Eviction Notice

- The family must give the KHA a copy of any owner eviction notice it receives.

- Use and Occupancy of the Unit

  - The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.

  - The KHA must approve the composition of the assisted family residing in the unit. The family must promptly (ten business days) inform the KHA (IN WRITING) of the birth, adoption or court-awarded custody of a child. The family must request approval (in WRITING) from the KHA and the landlord to add any other occupant of the unit. No other person (i.e., no one but members of the assisted family) may reside in the unit (except for a foster child/foster adult or live-in aide as provided in paragraph (4) of this Section). If an RSR family requests to add another adult within the first six months of participation. The other adult's income will be added to the participants and a re-calculation of income eligibility will be conducted at that time.

- The family must promptly (ten business days) notify the KHA (in WRITING) if any family member no longer resides in the unit.

- If the KHA has given approval, a foster child/foster adult or a live-in aide may reside in the unit. The KHA has the discretion to adopt reasonable policies concerning residence by a foster child/foster adult or a live-in aide and defining when the KHA consent may be given or denied.

- If allowable under the lease, members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family, and allowable under the lease. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses.

- The family must not sublease or let the unit.

- The family must not assign the lease or transfer the unit.

- Absence from the Unit

  - The family must supply any information or certification requested by the KHA to verify that the family is living in the unit, or relating to family absence from the unit, including any KHA requested information or certification on the purposes of family absences. The family must cooperate with the KHA for this purpose. The family must promptly notify the KHA of its absence from the unit.

  - Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must request permission from the KHA for absences exceeding 30 days. The KHA will make a determination within 5 business days of the request. An authorized absence may

not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

- Authorized absences may include, but are not limited to: Prolonged hospitalization; Absences beyond the control of the family (i.e., death in the family, other family member illness)
- Other absences that are deemed necessary by the KHA

- Interest in the Unit--The family may not own or have any interest in the unit (except for owners of manufactured housing renting the manufactured home space).

- Fraud and Other Program Violation

    - The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the programs.

- Crime by Family Members

    - The members of the family may not engage in drug-related criminal activity or violent criminal activity, and any other criminal activity that would adversely affect the health, safety, or well being of other tenants or staff, or cause damage to the property.

- Other Housing Assistance--An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with (HUD requirements) Federal, State or local housing assistance program.

- RSR Families must adhere to the RSR Contract and must pay their contract rent in full and on time in accordance with the lease they have with their landlord.

## Chapter 11
## REEXAMINATIONS
[24 CFR 960.257, 960.259, 966.4]

### INTRODUCTION

The KEENE HOUSING AUTHORITY is required to monitor each family's income and composition over time, and to adjust the family's subsidy accordingly. KEENE HOUSING AUTHORITYs must adopt policies concerning the conduct of annual and interim reexaminations that are consistent with regulatory requirements and the Keene Housing Authority Moving to Work Agreement, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the KEENE HOUSING AUTHORITY must reexamine income for a family depends on whether the family pays income-based or step rent. The KEENE HOUSING AUTHORITY's policies for offering families a choice of subsidies are located in Chapter 6. This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based subsidies.

Part II: Reexaminations for Families Paying Step Rents. This part contains the KEENE HOUSING AUTHORITY's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. Self-Certifications are completed during the interim years by the tenant. Subsidy is not recalculated based on reexaminations since the subsidy is not based on income. This part also contains the KEENE HOUSING AUTHORITY's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and KEENE HOUSING AUTHORITY policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Subsidy. After gathering and verifying required information for an annual or interim reexamination, the KEENE HOUSING AUTHORITY must recalculate the tenant subsidy. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

## PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED SUBSIDYS [24 CFR 960.257]

### 11-I.A. OVERVIEW

For those families who pay income-based subsidy, the KEENE HOUSING AUTHORITY must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. The KEENE HOUSING AUTHORITY will conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years as stated in its Moving to Work Waiver. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point to determine the need for lease enforcement or eviction.

The KEENE HOUSING AUTHORITY is required to obtain information needed to conduct reexaminations. How that information will be collected is left to the discretion of the KEENE HOUSING AUTHORITY. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the KEENE HOUSING AUTHORITY's policies for conducting annual reexaminations.

### 11.I.B. SCHEDULING ANNUAL REEXAMINATIONS

The KEENE HOUSING AUTHORITY must establish a policy to ensure that the annual reexamination for each family paying an income-based subsidy is completed within the required time frame. Annual reexaminations are conducted every three years for income based families and tenants are required to complete a self-certification during the interim years.

KEENE HOUSING AUTHORITY Policy

Generally, the KEENE HOUSING AUTHORITY will schedule annual reexaminations to coincide with the family's anniversary date. The KEENE HOUSING AUTHORITY will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

*Anniversary date* is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the KEENE HOUSING AUTHORITY will perform a new annual reexamination, and the anniversary date will be changed.

The KEENE HOUSING AUTHORITY may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

**Notification of and Participation in the Annual Reexamination Process**

The KEENE HOUSING AUTHORITY is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the KEENE HOUSING AUTHORITY.

KEENE HOUSING AUTHORITY Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the KEENE HOUSING AUTHORITY to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the KEENE HOUSING AUTHORITY in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the KEENE HOUSING AUTHORITY will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without KEENE HOUSING AUTHORITY approval, the family will be in violation of the program and will be terminated in accordance with the policies in Chapter 15.

- An advocate, interpreter, or other assistant may assist the family in the interview process.

## 11-I.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the Section 8 lease require the family to furnish information necessary for the redetermination of subsidy and family composition [24 CFR 966.4(c) (2)].

KEENE HOUSING AUTHORITY Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a KEENE HOUSING AUTHORITY-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 15.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

**Change in Unit Size**
Changes in family or household composition may make it appropriate for the family to consider moving to comply with occupancy standards. The KEENE HOUSING AUTHORITY may use the results of the annual reexamination to require the family to move to an appropriate size unit.

## 11-I.D. EFFECTIVE DATES

As part of the annual reexamination process, the KEENE HOUSING AUTHORITY must make appropriate adjustments in the subsidy after consultation with the family and upon verification of the information [24 CFR 960.257(a) (1)].

KEENE HOUSING AUTHORITY Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the KEENE HOUSING AUTHORITY chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the KEENE HOUSING AUTHORITY, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the KEENE HOUSING AUTHORITY chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the KEENE HOUSING AUTHORITY.

If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the KEENE HOUSING AUTHORITY by the date specified, and this delay prevents the KEENE HOUSING AUTHORITY from completing the reexamination as scheduled.

## PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS

### 11-II.A. OVERVIEW

The KEENE HOUSING AUTHORITY's policies for offering families a choice of subsidies are located in Chapter 6.

All families, regardless of the method of subsidy calculation being used, the KEENE HOUSING AUTHORITY will conduct a reexamination of family income at least once every 3 years. During the interim years, The Keene Housing Authority will ask the tenant to self-certify the income received and subsidy will be re-calculated for tenants whose subsidy is calculated using the income based method based on the information reported on the self-certification by the tenant. If there are any discrepancies or the information is ambiguous, Keene Housing Authority staff may use hand delivered documents or 3rd party documentation to clarify the discrepancy

This part contains the KEENE HOUSING AUTHORITY's policies for conducting reexaminations of families who pay step rents.

### 11-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

**Frequency of Reexamination**

KEENE HOUSING AUTHORITY Policy

For all Section 8 families, regardless of subsidy calculation method, the KEENE HOUSING AUTHORITY will conduct a full reexamination of family income and composition on the initial year, the 2nd annual, and the 4th annual. If the family is allowed an extension, a full certification will be done every two years.

**Reexamination Policies**

KEENE HOUSING AUTHORITY Policy

In conducting full reexaminations for families step rents, the KEENE HOUSING AUTHORITY will follow the policies used for the annual reexamination of families paying income-based subsidy as set forth in Sections 9-I.B through 9-I.D above.

### 11-II.C. REEXAMINATION OF FAMILY COMPOSITION ("ANNUAL UPDATE")

As noted above, full reexaminations are conducted every 3 years for all public housing households. In the years between full reexaminations, the Moving to Work Waiver requires the KEENE HOUSING AUTHORITY to conduct self-certifications as noted in the Keene Housing Authority's Moving to Work Agreement Addendum.

The self-certification process is similar to the annual reexamination process, except that the tenant self-certifies information about their income, assets and expenses. The family's subsidy is recalculated based on the information reported on the self-certification. If any information is ambiguous or unclear, other verification sources such as hand delivered documents, EIV or 3rd part verification may be used.

**Scheduling**

The KEENE HOUSING AUTHORITY must establish a policy to ensure that the reexamination of family composition for families paying the step rent is completed every three years and self-certifications are conducted during the interim years.

KEENE HOUSING AUTHORITY Policy

For families paying flat rents, self-certifications will be conducted in each of the 2 years following the full reexamination.

In scheduling the self-certification, the KEENE HOUSING AUTHORITY will follow the policy used for scheduling the annual reexamination of families paying income-based subsidy as set forth in Section 9-I.B. above.

**Conducting Self-Certifications**

The terms of the Section 8 lease require the family to furnish information necessary for the redetermination of subsidy and family composition [24 CFR 966.4(c) (2)].

KEENE HOUSING AUTHORITY Policy

Generally, the family will not be required to attend an interview for a self-certification. However, if the KEENE HOUSING AUTHORITY determines that an interview is warranted, the family may be required to attend.

Notification of the self-certification will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the KEENE HOUSING AUTHORITY. The family will have 10 business days to submit the required information to the KEENE HOUSING AUTHORITY. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The KEENE HOUSING AUTHORITY will accept required documentation by mail, by fax, or in person.

If the family's submission is incomplete, or the family does not submit the information in the required time frame, the KEENE HOUSING AUTHORITY will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to the KEENE HOUSING AUTHORITY.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

***Compliance with Participant Self-Reliance Program***

For families paying the step rent and are required to participate in the Participant Self-Reliance program, the Keene Housing Authority must determine compliance with Participant Self-Reliance program requirements at least annually.

## PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

### 11-III.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and KEENE HOUSING AUTHORITY policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the KEENE HOUSING AUTHORITY must process interim reexaminations to reflect those changes. HUD regulations also permit the KEENE HOUSING AUTHORITY to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The KEENE HOUSING AUTHORITY must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and KEENE HOUSING AUTHORITY policies describing what changes families are required to report, what changes families may choose to report, and how the KEENE HOUSING AUTHORITY will process both KEENE HOUSING AUTHORITY- and family-initiated interim reexaminations.

## 11-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The KEENE HOUSING AUTHORITY must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the Section 8 lease, the KEENE HOUSING AUTHORITY has limited discretion in this area. Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

KEENE HOUSING AUTHORITY Policy

All families, those paying income-based subsidy as well as step rents, must report all changes in family and household composition that occur within 10 business days.
The KEENE HOUSING AUTHORITY will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.
Only the reported change needs to be verified using 3rd party verification.

**New Family Members Not Requiring Approval**

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require KEENE HOUSING AUTHORITY approval. However, the family is required to promptly notify the KEENE HOUSING AUTHORITY of the addition [24 CFR 966.4(a) (1) (v)].

KEENE HOUSING AUTHORITY Policy

The family must inform the KEENE HOUSING AUTHORITY of the birth, adoption or court-awarded custody of a child within 10 business days.

**New Family and Household Members Requiring Approval**

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request KEENE HOUSING AUTHORITY approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The KEENE HOUSING AUTHORITY may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which KEENE HOUSING AUTHORITY consent will be given or denied. Under such policies, the factors considered by the KEENE HOUSING AUTHORITY may include [24 CFR 966.4(d) (3) (i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit.
- The KEENE HOUSING AUTHORITY 's obligation to make reasonable accommodation for handicapped persons.

KEENE HOUSING AUTHORITY Policy

Families must request KEENE HOUSING AUTHORITY approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the KEENE HOUSING AUTHORITY prior to the individual moving into the unit.
The KEENE HOUSING AUTHORITY will not approve the addition of a new family or household member unless the individual meets the KEENE HOUSING AUTHORITY's eligibility criteria (see Chapter 3).
If the KEENE HOUSING AUTHORITY determines that an individual does not meet the KEENE HOUSING AUTHORITY's eligibility criteria as defined in Chapter 3, the KEENE HOUSING AUTHORITY will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The KEENE HOUSING AUTHORITY will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

**Departure of a Family or Household Member**

KEENE HOUSING AUTHORITY Policy

If a family member ceases to reside in the unit, the family must inform the KEENE HOUSING AUTHORITY within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the KEENE HOUSING AUTHORITY within 10 business days.

## 11-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations will be conducted only during the following circumstances for families whose subsidy is calculated using the income based method of subsidy calculation:

- Household composition changes
- $50 or more decrease in monthly gross income

KEENE HOUSING AUTHORITY Policy

This section only applies to families paying income-based subsidy. Families paying step rents are not required to report changes in income or expenses nor will their subsidy be adjusted due to changes in income unless they are accepted into the Safety Net program.

**Family-Initiated Interim Reexaminations**

The KEENE HOUSING AUTHORITY must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

***Required Reporting***

HUD regulations give the KEENE HOUSING AUTHORITY the freedom to determine the circumstances under which families will be required to report changes affecting income.

KEENE HOUSING AUTHORITY Policy

Families are required to report all increases in income, including new employment, at their annual certification, self-certification or when an interim or Safety Net has been requested.

Families are not required to report any other changes in income or expenses.

***Optional Reporting***

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The KEENE HOUSING AUTHORITY must process the request if the family reports a change that will result in a decrease in gross family income of $50 or more [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

KEENE HOUSING AUTHORITY Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the KEENE HOUSING AUTHORITY will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a $50 decrease in gross family income, the KEENE HOUSING AUTHORITY will conduct an interim reexamination. See Section 9-III.D. For effective dates.
Families may report changes in income or expenses at any time.

## 11-III.D. PROCESSING THE INTERIM REEXAMINATION

### Method of Reporting

KEENE HOUSING AUTHORITY Policy

The family may notify the KEENE HOUSING AUTHORITY of changes either orally or in writing. If the family provides oral notice, the KEENE HOUSING AUTHORITY may also require the family to submit the changes in writing.
Generally, the family will not be required to attend an interview for an interim reexamination. However, if the KEENE HOUSING AUTHORITY determines that an interview is warranted, the family may be required to attend.
Based on the type of change reported, the KEENE HOUSING AUTHORITY will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the KEENE HOUSING AUTHORITY. This time frame may be extended for good cause with KEENE HOUSING AUTHORITY approval. The KEENE HOUSING AUTHORITY will accept required documentation by mail, by fax, or in person.

### Effective Dates

The KEENE HOUSING AUTHORITY must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

KEENE HOUSING AUTHORITY Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.
If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

## PART IV: RECALCULATING TENANT SUBSIDY

### 11-IV.A. OVERVIEW

For those families paying income-based subsidy, the KEENE HOUSING AUTHORITY must recalculate the subsidy amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

### 11-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant subsidy calculations must reflect any changes in the KEENE HOUSING AUTHORITY's utility allowance schedule [24 CFR 960.253(c) (3)]. Chapter 16 discusses how utility allowance schedules are established.

KEENE HOUSING AUTHORITY Policy

Unless the KEENE HOUSING AUTHORITY is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's subsidy calculations at the first annual reexamination after the allowance is adopted.

### 11-IV.C. NOTIFICATION OF NEW TENANT SUBSIDY

The KEENE HOUSING AUTHORITY will give the family written notice stating any change in the amount of tenant subsidy, and when the change is effective [24 CFR 966.4(b)(1)(ii)]. When the KEENE HOUSING AUTHORITY redetermines the amount of subsidy payable by the tenant or determines that the family must transfer to another unit based on family composition, the KEENE HOUSING AUTHORITY must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the KEENE HOUSING AUTHORITY determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the KEENE HOUSING AUTHORITY's grievance procedure [24 CFR 966.4(c)(4)].

KEENE HOUSING AUTHORITY Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant subsidy.

### 11-IV.D. DISCREPANCIES

During an annual or interim reexamination, the KEENE HOUSING AUTHORITY may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the KEENE HOUSING AUTHORITY may discover errors made by the KEENE HOUSING AUTHORITY. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 15.

## Chapter 12
## MOVES, TRANSFERS, AND PORTABILITY

## PART I. MOVES

**Moves with Continued Assistance**

Participating families are allowed to move to another unit after the initial 12 months has expired. The KHA will issue the family a Move HAC if the family does not owe the KHA or any other Housing Authority money, has not violated a Family Obligation, has not moved or been issued a HAC within the last lease period, is in good standing in the Participant Self Reliance Program (if the family is an RSR family), and if the KHA has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, the lease period requirement will be waived.

KHA will limit the number of "at will" moves from one apartment to another for Coupon Holders to one per 12 month period. If a household has good cause for moving, then a request may be submitted be submitted to the Tenant-Based Assistance Coordinator for review and approval.

### 12-I.A. WHEN A FAMILY MAY MOVE

For families already participating in the HAC, the KHA will allow the family to move to a new unit if:

- The assisted lease for the old unit has terminated;
- The owner has given the tenant a notice to vacate, has commenced an action to evict the tenant (if the eviction is due to the violation of any of the HAC family obligations, KHA may refuse to issue a Move HAC), or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).
- The owner has given the tenant written permission to break the lease (must be for good cause).

### 12-I.B. PROCEDURES

Families considering transferring to a new unit will be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of the KHA's jurisdiction, will be required to attend a mover's briefing prior to the KHA executing a new HAC contract.

This briefing is intended to provide the following:

- A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;

- Payment standards, exception payment standard rent areas, and the utility allowance schedule;

- An explanation that the family share of rent should not exceed 40 percent of the family's monthly-adjusted income.

- Portability requirements and opportunities;

- The need to have a reexamination conducted within 120 days prior to the move; Income Based Families Only

- An explanation and copies of the forms required to initiate and complete the move; and

- All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the KHA's approval, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give the KHA a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the KHA will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

Failure to follow the above procedures may subject the family to termination from the program.

## PART II. TRANSFERS

### 12-II.A. WELFARE TO WORK TRANSFERS

The Housing Assistance Coupon (HAC) amount (subsidy) will remain at the current level for one year. Your subsidy for the first year will be calculated using the income based method (using the methods applied in the Housing Choice Voucher Program).

Upon entry into the program, if the first year subsidy (income based) is less than the second step in the HAC program, the entrance subsidy will remain in effect for three years. If the first year subsidy is less than the third step, the entrance subsidy will remain in effect for five years.

At the end of one year, the HAC amount will be calculated at the second step (unless the previous policy, as stated in bold print applies).

At the end of three years, the HAC amount will be calculated at the third step (unless the previous policy, as stated in bold print applies).

If your income increases, your subsidy amount will not be lowered. However, if your income decreases, you may apply for SAFETY NET.

## 12.II.B. HCV TRANSFERS

Families participating in the Housing Choice Voucher Program as of March 1, 2001 may request to be transferred to the HAC program if their existing landlord agrees to cancel the Housing Assistance Payments Contract and participate in the HAC program. No existing Housing Choice Voucher program participant or landlord will be required to transfer to the HAC program if the participant stays in place, although Housing Choice Voucher program participants are part of Spectrum (Moving to Work) with the exception of mainstream vouchers and those participants who utilize a voucher at Tax Credit Properties.

If the families move, however, they will be required to enter into the Spectrum Program. Participants are required to give landlord and KHA 30 days notice. They will come to a meeting before moving to obtain the move paperwork, as well as the HAC required paperwork. Note-If after this appointment they choose to stay where they are instead of moving, they will remain a HCV participant.

If a Mainstream participant moves, they will continue to remain as a Mainstream HCV.

# PART III. PORTABILITY

## 12-III.A. GENERAL POLICIES OF THE KHA

Applicants who do not reside in KHA's jurisdiction are notified at application that they will be required to lease a unit in KHA's jurisdiction for the first 12 months of assistance. Spectrum Moving to Work participants may only move outside of KHA's jurisdictions for good cause, including, but not limited to:

- Documented career or educational opportunity, which will enhance the family's attaining goals of self-sufficiency.
- Documented family long-term illness that requires the family to relocate for an existing family member or to care for another family member.
- Other documented good cause.

The KHA must approve all requests for Mainstream participants who choose to move outside the jurisdiction. If a Spectrum MTW participant request is approved, the HAC will be terminated and a Section 8 Housing Choice Voucher will be issued. The participant will then fall under the jurisdiction of the KHA Administrative Plan for the Section 8 Housing Choice Voucher Program.

If a family has moved out of their assisted unit in violation of the lease, the KHA will not issue a HAC, and will terminate assistance.

## 12-III.B. INCOME ELIGIBILITY

KHA admits families to the HAC program with incomes up to 80 percent of area median income. If the family has been issued a HAC by KHA, the family is considered to be income-eligible for portability. Families porting into the HAC program from other jurisdictions will not have their income eligibility redetermined.

## 12-III.C. PORTABILITY: ADMINISTRATION BY RECEIVING PHA

When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the Receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.

A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such housing authority, the Initial Housing Authority may choose which housing authority shall become the Receiving Housing Authority.

## 12-III.D. PORTABILITY PROCEDURES

When the KHA is the Receiving Housing Authority:

- When the portable family requests assistance from the KHA, the KHA will within ten (10) calendar days inform the Initial Housing Authority whether it will bill the Initial Housing Authority for assistance on behalf of the portable family, or absorb the family into its own program. When the KHA receives a portable family, the family will be absorbed if funds are available and a HAC will be issued.

- The KHA will issue a HAC and an Apartment and Landlord Certification form to the family. The term of the KHA's HAC will not expire before the expiration date of any Initial Housing Authority's voucher. The KHA will determine whether to extend the HAC term. The family must submit a HAC request for approval to the KHA during the term of the KHA's HAC.

- The KHA will determine the family unit size for the portable family. The family unit size is determined in accordance with the KHA's subsidy standards.

- The KHA will within ten (10) calendar days notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request HAC approval for an eligible unit within the term of the HAC.

- If the KHA opts to conduct a new reexamination, the KHA will not delay issuing the family a HAC or otherwise delay approval unless the re-certification is necessary to determine income eligibility.

- In order to provide tenant-based assistance for portable families, the KHA will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the KHA may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

## 12-III.E. ABSORPTION BY THE KHA

If funding is available under the consolidated ACC for the KHA's Section 8 Program when the portable family is received, the KHA will absorb the family into its HAC Program. After absorption, the family is assisted with funds available under the consolidated ACC for the KHA's Tenant-Based Program.

## 12-III.F. PORTABILITY BILLING

To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for the equivalent housing assistance payments and administrative fees. The billing procedure will be as follows:

The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for 80 percent of the Initial Housing Authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Authority. If both Housing Authorities agree, a different amount of reimbursement may be negotiated.

## 12-III.G. WHEN A PORTABLE FAMILY MOVES

When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

## Chapter 13
## TERMINATION OF ASSISTANCE/TERMINATION OF LEASE OR CONTRACT

### PART I. TERMINATION BY TENANT

### 13-I.A. TENANT CHOOSES TO TERMINATE ASSISTANCE

The family may terminate their assistance at any time, for any reason. Such notice must be in writing and delivered to the project office or the KEENE HOUSING AUTHORITY central office or sent by pre-paid first-class mail, properly addressed.

### PART II. TERMINATION BY KHA

### 13-II. A. TERMINATION OF ASSISTANCE TO THE FAMILY BY THE KHA

The Housing Authority may at any time terminate program assistance for a participant, because of any of the actions or inaction by the household:

- If the family violates any family obligations under the program. (Please see section 5.8)
- If a family member fails to sign and submit consent forms.
- If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the KHA determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their HAC unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to HAC for a period of 24 months from the date of termination.
- If any member of the family has ever been evicted from Section 8 within the past three years.
- If the Housing Authority has ever terminated assistance under the Certificate or Voucher Program or Housing Assistance Coupon Program for any member of the family within the past three years.
- If any member of the family commits drug-related criminal activity, or violent criminal activity, and any other criminal activity that would adversely affect the health, safety, or well being of tenants or staff, or cause damage to the property. (See Section 5.8)
- If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
- If the family currently owes rent or other amounts to the Housing Authority or to another Housing Authority in connection with Section 8 or Section 8 assistance under the 1937 Act.

- If the family has not reimbursed any Housing Authority for amounts paid to an owner under a HAP contract or HAC for rent, damages to the unit, or other amounts owed by the family under the lease.

- If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, or amounts paid to an owner by a Housing Authority. (The Housing Authority, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a Housing Authority or amounts paid to an owner by a Housing Authority. The Housing Authority may prescribe the terms of the agreement.)

- If a family participating in the Participant Self Reliance program fails to comply with the RSR Contract.

- Failure to perform HAC credit work under the KHA Safety Net program or fulfill obligations of repayment arrangement under Safety Net.

- If the family has engaged in or threatened abusive or violent behavior toward Housing Authority personnel.

- If any household member is subject to a lifetime registration requirement under a State sex offender registration program.

- If a household member's illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the KHA to interfere with the health, safety, or right to peaceful enjoyment of the premises by other participants. (See Section 5.8)

- If an RSR family is terminated, the family may re-apply, If the application is approved, a HAC would not be issued for at least one year from date of termination (if the applicants name was to reach the top of the HAC waiting list—a HAC would not be issued until the one year time requirement was fulfilled); and, the family re-enters the program at the level and at the accrual of months in effect at termination.

- If an RSR family voluntarily terminates participation in the HAC program, they may re-apply and will be selected from the wait list as prescribed herein. The family's assistance will commence at the level and at the accrual of months in effect at termination.

**13-II.B CONSIDERING CIRCUMSTANCES**

In deciding whether to terminate assistance because of action or inaction by members of the family, the Housing Authority may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Authority 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 Housing Authority may permit the other members of a participant family to continue receiving assistance.

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred

within one year before the date that the Housing Authority provides notice to the family of the Housing Authority determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the KHA will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;

2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or

3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

### 13-II.C. TERMINATION PROCEDURES

A letter will be sent to the participant explaining the following:

- Effective date of termination
- Reason for termination
- Supportive documentation (examples: efforts made by KHA, conversations, letters...)
- Information about the process to request an informal hearing.

A letter will be sent to the landlord explaining the following:

- Effective date of termination
- Explanation that the participant has a right to an informal hearing.
- Information about subsidy payments and who will receive the final payment(s) of subsidy. Also, information about continued subsidy through eviction process (see Chapter 14)
- A contact name and number for questions or concerns.

## PART III. TERMINATION OF LEASE OR CONTRACT

The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The HAC Contract may be terminated by the KHA. Under some circumstances the HAC automatically terminates.

### 13-III.A. TERMINATION OF LEASE

1. By the family

The family may terminate the lease without cause upon proper notice to the owner and to the KHA after the term of the initial lease. The length of the notice that is required is stated in the lease (generally 30 days).

2. By the owner.

The owner may terminate the lease during its term on the following grounds:

- Serious or repeated violations of the terms or conditions of the lease;
- Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
- Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;
- Any drug-related criminal activity on or near the premises;
- Other good cause. Other good cause may include, but is not limited to:

- Failure by the family to accept the offer of a new lease;
- Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
- The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a participantial rental unit;
- A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.

During the initial lease term the owner may not terminate tenancy for other good cause unless the reason is because of something the household did or failed to do.

The owner may only evict the tenant by instituting court action. The owner must give the KHA a copy of any owner eviction notice to the tenant at the same time that the owner gives the notice to the tenant.

The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.

**13.III.B. TERMINATION OF LEASE BY MUTUAL AGREEMENT**

The family and the owner may at any time mutually agree to terminate the lease.

Termination of the HAC

- Automatic termination of the HAC
  - If the family moves out of the unit, the HAC terminates automatically.
  - The unit does not meet HQS space standards because of an increase in family size or change in family composition
  - KHA determines that there is insufficient funding in its contract with HUD to support continued assistance for families in the program
  - The owner has breached the contract in any of the following ways:
    - If the owner has not maintained the unit in accordance with the HQS.
    - If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
    - For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
    - If the owner has engaged in drug trafficking.

## Chapter 14
## FINAL HAP PAYMENT AND LANDLORD PROTECTION FUND

### 14-I.A. FINAL HAC PAYMENT

The HAC payment stops when the termination goes into effect. If the owner has begun eviction proceedings and the family continues to occupy the unit, the Housing Authority will provide assistance to the owner until the owner obtains a judgment or the family moves out, provided the owner provides KHA with copies of all eviction documentation within three days of filing or service.

If a family moves without notice and has not paid the rent for the month in which the family moves out, KHA will pay the owner/landlord the full contract rent amount (up to the VPS) for that month.

OWED RENT AND DAMAGES PROTECTION

Reimbursement from the Landlord Owed Rent and Damages Protection Fund only applies if the landlord has done the following:

- Informed Keene Housing in advance of evidence of damages prior to assistance being terminated. Inspection by landlord shall be suggested.
- Informed Keene Housing of past due rent within 15 days of not being paid.
- Taken all legal steps to obtain the cost of damages from the participant and have provided Keene Housing Authority with evidence of such legal action being taken.

Reimbursement will be no more than two months of full contract rent (not to exceed the VPS). The CEO or the Assistant Director must approve all requests for payment under the Owed Rent and Damages Protection Fund.

### 14-I.B. LANDLORD PROTECTION FUND

KHA has established a Landlord Protection Fund for landlords/owners of participants in the HAC program. The Fund is designed to protect landlords from participants who receive a subsidy amount and fail to use these funds to pay the contract rent in a timely manner.

In most cases, on the first day of the month, a direct deposit for the monthly subsidy will be made to the tenant's bank account. The tenant is responsible for paying the contract rent in full plus all applicable utilities (per lease).

If the contract rent has not been paid by the fifth of the month, the landlord must notify KHA Housing Assistance Coupon Coordinator within three working days and must issue a Notice to Quit to the participant. If the participant moves without notice following receipt of the Notice to Quit and has not paid the rent for the current month, the landlord must notify KHA within three days of discovering the vacancy. KHA will pay the landlord for the full rent for the month in which the unit was vacated.

Should the rent remain unpaid by the 15th of the month, KHA will issue the owner/landlord a check for the subsidy amount from the Landlord Protection Fund. All future monthly subsidy checks for the initial term will be sent directly (via mail) to the owner/landlord on the first of each month.

Reimbursement from the Landlord Protection Fund only applies if the landlord has taken all legal steps to obtain the rent not paid and has notified KHA in a timely fashion. The Executive Director or the Assistant Director must approve all requests for payment under the Landlord Protection Fund.

If a payment has been paid to an owner, the participant is responsible for repaying the amount to the KHA, along with any HAC payments that may have been made without the rent being paid. This shall be done by either paying the full amount due immediately upon the KHA requesting it or through a Repayment Agreement that is approved by the KHA.

If the participant is not current on any Repayment Agreements or has unpaid claims on more than one unit, the participant shall be terminated from the program. The participant retains the right to request an informal hearing.

## Chapter 15
## COMPLAINTS, INFORMAL REVIEWS, INFORMAL HEARING

### PART I. COMPLAINTS

### 15-I.A. COMPLAINTS

The KHA will investigate and respond to complaints by participant families, owners, and the general public. The KHA may require that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

### PART II. INFORMAL REVIEW FOR APPLICANT

### 15-II.A. OVERVIEW AND PROCESS

The KHA will give an applicant for participation in the Housing Assistance Coupon Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the KHA decision. The notice will state that the applicant may request an informal review within 10 days of the denial and will describe how to obtain the informal review.

**When an Informal Review is not required**

The KHA will not provide the applicant an opportunity for an informal review for any of the following reasons:

- A determination of the family unit size under the KHA subsidy standards.
- A KHA determination not to approve an extension or suspension of a HAC term.
- A KHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
- A KHA determination that a unit selected by the applicant is not in compliance with HQS.
- A KHA determination that the unit is not in accordance with HQS because of family size or composition.
- General policy issues or class grievances.
- Discretionary administrative determinations by the KHA.

**Informal Review Process**

The KHA will give an applicant an opportunity for an informal review of the KHA decision denying assistance to the applicant. The procedure is as follows:

- The review will be conducted by any person or persons designated by the KHA other than the person who made or approved the decision under review or a subordinate of this person.
- The applicant will be given an opportunity to present written or oral objections to the KHA decision.

- The KHA will notify the applicant of the KHA decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

## 15-II.B. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the KEENE HOUSING AUTHORITY hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the KEENE HOUSING AUTHORITY informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

**Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the KEENE HOUSING AUTHORITY either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

**United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]**
When the KEENE HOUSING AUTHORITY receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the KEENE HOUSING AUTHORITY must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the KEENE HOUSING AUTHORITY with a copy of the written request for appeal and proof of mailing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results. The family must provide the KEENE HOUSING AUTHORITY with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.
The USCIS will notify the family, with a copy to the KEENE HOUSING AUTHORITY, of its decision. When the USCIS notifies the KEENE HOUSING AUTHORITY of the decision, the KEENE HOUSING AUTHORITY must notify the family of its right to request an informal hearing.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

## PART III. INFORMAL HEARING FOR PARTICIPANTS

### 15-III.A . OVERVIEW AND PROCESS

**When a Hearing is required**

1. The KHA will give a participant family an opportunity for an informal hearing to consider whether the following KHA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and KHA policies:

    a. A determination of the family's annual or adjusted income, and the use of such income to compute the value of the HAC.

    b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the KHA utility allowance schedule.

    c. A determination of the family unit size under the KHA subsidy standards.

    d. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the KHA subsidy standards, or the KHA determination to deny the family's request for an exception from the standards.

e. A determination to terminate assistance for a participant family because of the family's action or failure to act.

f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the KHA policy and HUD rules.

2. In cases described in paragraphs 16.3(A) (1) (d), (e), and (f), of this Section, the KHA will give the opportunity for an informal hearing before the KHA terminates housing assistance payments for the family under an outstanding HAC contract.

**When a Hearing is not required**

The KHA will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by the KHA.

2. General policy issues or class grievances.

3. Establishment of the KHA schedule of utility allowances for families in the program.

4. A KHA determination not to approve an extension or suspension of a HAC term.

5. A KHA determination not to approve a unit or lease.

6. A KHA determination that an assisted unit is not in compliance with HQS. (However, the KHA will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)

7. A KHA determination that the unit is not in accordance with HQS because of the family size.

8. A determination by the KHA to exercise or not exercise any right or remedy against the owner under a HAP contract.

**Notice to the Family**

1. In the cases described in paragraphs 16.3(A)(1)(a), (b), and (c), of this Section, the KHA will notify the family that the family may ask for an explanation of the basis of the KHA's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

2. In the cases described in paragraphs 16.3(A) (1) (d), (e), and (f), of this Section, the KHA will give the family prompt written notice that the family may request a hearing within 10 business days of the notification. The notice will:

    a. Contain a brief statement of the reasons for the decision; and

b. State that if the family does not agree with the decision, the family may request an informal hearing on the decision within 10 business days of the notification.

## PART IV. HEARING PROCEDURES

### 15-IV.A. OVERVIEW AND PROCESS

The KHA and participants will adhere to the following procedures:

- Discovery
  - The family will be given the opportunity to examine before the hearing any KHA documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If the KHA does not make the document(s) available for examination on request of the family, the KHA may not rely on the document at the hearing.

  - The KHA will be given the opportunity to examine, at the KHA's offices before the hearing, any family documents that are directly relevant to the hearing. The KHA will be allowed to copy any such document at the KHA's expense. If the family does not make the document(s) available for examination on request of the KHA, the family may not rely on the document at the hearing.
  - Note: The term document includes records and regulations.

- Representation of the Family
  - At its own expense, a lawyer or other representative may represent the family.

- Hearing Officer
  - The hearing will be conducted by any person or persons designated by the KHA, other than a person who made or approved the decision under review or a subordinate of this person.
  - The person who conducts the hearing will regulate the conduct of the hearing in accordance with the KHA hearing procedures.

- Evidence
  - The KHA and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

- Issuance of Decision
  - The person who conducts the hearing must issue a written decision within 14 calendar days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

**Effect of the Decision**

The KHA is not bound by a hearing decision:

a. Concerning a matter for which the KHA is not required to provide an opportunity for an informal hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the KHA hearing procedures.

b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.

c. If the KHA determines that it is not bound by a hearing decision, the KHA will notify the family within 14 calendar days of the determination, and of the reasons for the determination.

# Chapter 16
# PROGRAM INTEGRITY

## INTRODUCTION

The KEENE HOUSING AUTHORITY is committed to ensuring that funds made available to the KEENE HOUSING AUTHORITY are spent in accordance with HUD requirements.

This chapter covers HUD and KEENE HOUSING AUTHORITY policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents KEENE HOUSING AUTHORITY policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the KEENE HOUSING AUTHORITY must and may take when errors or program abuses are found.

## PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

### 16-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY anticipates that the vast majority of families and KEENE HOUSING AUTHORITY employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the KEENE HOUSING AUTHORITY's program is administered effectively and according to the highest ethical and legal standards, the KEENE HOUSING AUTHORITY will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The KEENE HOUSING AUTHORITY will provide each applicant and participant with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

The KEENE HOUSING AUTHORITY will require mandatory orientation sessions for all prospective participants either prior to or upon execution of the lease. The KEENE HOUSING AUTHORITY will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The KEENE HOUSING AUTHORITY will routinely provide participant counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

KEENE HOUSING AUTHORITY staff will be required to review and explain the contents of all HUD- and KEENE HOUSING AUTHORITY-required forms prior to requesting family member signatures.

The KEENE HOUSING AUTHORITY will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key KEENE HOUSING AUTHORITY forms and form letters that request information from a family member.

The KEENE HOUSING AUTHORITY will provide each KEENE HOUSING AUTHORITY employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

## 16-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the KEENE HOUSING AUTHORITY will use a variety of activities to detect errors and program abuse.

### Quality Control and Analysis of Data

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will employ a variety of methods to detect errors and program abuse, including:

The KEENE HOUSING AUTHORITY routinely will use available sources of up-front income verification to compare with family-provided information.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The KEENE HOUSING AUTHORITY will compare family-reported income and expenditures to detect possible unreported income.

### Independent Audits and HUD Monitoring

OMB Circular A-133 requires all KEENE HOUSING AUTHORITYs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of KEENE HOUSING AUTHORITY activities and notifies the KEENE HOUSING AUTHORITY of errors and potential cases of program abuse.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the KEENE HOUSING AUTHORITY's error detection and abuse prevention efforts.

### Individual Reporting of Possible Errors and Program Abuse

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will encourage staff, participants, and the public to report possible program abuse.

## 16-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

### When the KEENE HOUSING AUTHORITY Will Investigate

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the KEENE HOUSING AUTHORITY to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The KEENE HOUSING AUTHORITY will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

### Consent to Release of Information [24 CFR 960.259]

The KEENE HOUSING AUTHORITY may investigate possible instances of error or abuse using all available KEENE HOUSING AUTHORITY and public records. If necessary, the KEENE HOUSING AUTHORITY will require applicant/participant families to give consent to the release of additional information.

### Analysis and Findings

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will base its evaluation on a preponderance of the evidence collected during its investigation.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the KEENE HOUSING AUTHORITY will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the KEENE HOUSING AUTHORITY, and (3) what corrective measures or penalties will be assessed.

### Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the KEENE HOUSING AUTHORITY will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

KEENE HOUSING AUTHORITY Policy

In the case of family-caused errors or program abuse, the KEENE HOUSING AUTHORITY will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

### Notice and Appeals

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the KEENE HOUSING AUTHORITY determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

## PART II: CORRECTIVE MEASURES AND PENALTIES

## 16-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

### Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the KEENE HOUSING AUTHORITY must promptly correct the tenant subsidy and any utility reimbursement prospectively.

KEENE HOUSING AUTHORITY Policy

Increases in the tenant rent will be implemented only after the family has received 30 days notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

### Reimbursement

Whether the family is required to reimburse the KEENE HOUSING AUTHORITY or the KEENE HOUSING AUTHORITY is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

## 16-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the KEENE HOUSING AUTHORITY to use incorrect information provided by a third party.

### Family Reimbursement to KEENE HOUSING AUTHORITY

KEENE HOUSING AUTHORITY Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of subsidy underpaid. The KEENE HOUSING AUTHORITY may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the KEENE HOUSING AUTHORITY will terminate the family's lease in accordance with the policies in Chapter 13.

**KEENE HOUSING AUTHORITY Reimbursement to Family**

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

**Prohibited Actions**

An applicant or participant in the Section 8 program must not knowingly:

- Make a false statement to the KEENE HOUSING AUTHORITY [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the KEENE HOUSING AUTHORITY [24 CFR 960.259(a) (4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l) (2) (iii) (C)].

KEENE HOUSING AUTHORITY Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the KEENE HOUSING AUTHORITY Board of Commissioners, employees, contractors, or other KEENE HOUSING AUTHORITY representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the KEENE HOUSING AUTHORITY on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The KEENE HOUSING AUTHORITY may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

**Penalties for Program Abuse**

In the case of program abuse caused by a family the KEENE HOUSING AUTHORITY may, at its discretion, impose any of the following remedies.

- The KEENE HOUSING AUTHORITY may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to KEENE HOUSING AUTHORITY).
- The KEENE HOUSING AUTHORITY may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for participants).
- The KEENE HOUSING AUTHORITY may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The KEENE HOUSING AUTHORITY may refer the family for state or federal criminal prosecution as described in section 15-II.D.

## 16-II.C. KEENE HOUSING AUTHORITY-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of KEENE HOUSING AUTHORITY staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a KEENE HOUSING AUTHORITY staff member that are considered errors or program abuse related to the Section 8 program. Additional standards of conduct may be provided in the KEENE HOUSING AUTHORITY personnel policy.

KEENE HOUSING AUTHORITY-caused incorrect rental determinations include (1) failing to correctly apply Section 8 rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

### Repayment to the KEENE HOUSING AUTHORITY

The family is not required to repay an underpayment of rent if the error or program abuse is caused by KEENE HOUSING AUTHORITY staff.

### KEENE HOUSING AUTHORITY Reimbursement to Family

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

### Prohibited Activities

KEENE HOUSING AUTHORITY Policy

Any of the following will be considered evidence of program abuse by KEENE HOUSING AUTHORITY staff:

Failing to comply with any Section 8 program requirements for personal gain

Failing to comply with any Section 8 program requirements as a result of a conflict of interest relationship with any applicant or participant

Seeking or accepting anything of material value from applicants, participants, vendors, contractors, or other persons who provide services or materials to the KEENE HOUSING AUTHORITY

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of KEENE HOUSING AUTHORITY activities, policies, or practices

Misappropriating or misusing Section 8 funds

Destroying, concealing, removing, or inappropriately using any records related to the Section 8 program

Committing any other corrupt or criminal act in connection with any federal housing program

## 16-II.D. CRIMINAL PROSECUTION

KEENE HOUSING AUTHORITY Policy

When the KEENE HOUSING AUTHORITY determines that program abuse by a family or KEENE HOUSING AUTHORITY staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the KEENE HOUSING AUTHORITY will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the Section 8 program will be referred to the appropriate local, state, or federal entity.

## 16-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

KEENE HOUSING AUTHORITYs who enter into a repayment agreement with a family to collect money owed, initiate litigation against the family to recover money owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the KEENE HOUSING AUTHORITY recovers [Notice PIH 2005-7 (HA)].

If the KEENE HOUSING AUTHORITY does none of the above, all amounts that constitute an overpayment of subsidy must be returned to HUD.

The family must be afforded the opportunity for a hearing through the KEENE HOUSING AUTHORITY's grievance process.

## Chapter 17
## MISCELLANIOUS

### 17-I.A. CHARGES AGAINST THE SECTION 8 ADMINISTRATIVE FEE RESERVE

Occasionally, it is necessary for the KHA to spend money of its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The KHA Board of Commissioners authorizes the Executive Director to expend without prior Board approval up to $10,000 for authorized expenditures.

Any item(s) exceeding $10,000 will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

### 17.I.B. INTELLECTUAL PROPERTY RIGHTS

No program receipts may be used to indemnify contractors or subcontractors of the KHA against costs associated with any judgment of infringement of intellectual property rights.

### 17-I.C. REPAYMENT

**Family Debts to the KEENE HOUSING AUTHORITY**

KEENE HOUSING AUTHORITY Policy

Any amount due to the KEENE HOUSING AUTHORITY by a Section 8 family must be repaid. If the family is unable to repay the debt within 30 days, the KEENE HOUSING AUTHORITY will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the KEENE HOUSING AUTHORITY will terminate the family's tenancy in accordance with the policies in Chapter 13. The KEENE HOUSING AUTHORITY will also pursue other modes of collection.

**Repayment Agreement Guidelines**

***Payment Thresholds***

KEENE HOUSING AUTHORITY Policy

Amounts between $3,000 and the Federal or State threshold for criminal prosecution must be repaid within 36 months.

Amounts between $2,000 and $2,999 must be repaid within 30 months.

Amounts between $1,000 and $1,999 must be repaid within 24 months.

Amounts under $1,000 must be repaid within 12 months.

***Execution of the Agreement***

KEENE HOUSING AUTHORITY Policy

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

***Non-Payment***

KEENE HOUSING AUTHORITY Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the KEENE HOUSING AUTHORITY, the KEENE HOUSING AUTHORITY will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the KEENE HOUSING AUTHORITY will terminate assistance in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the KEENE HOUSING AUTHORITY will terminate assistance in accordance with the policies in Chapter 13.

***No Offer of Repayment Agreement***

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will not enter into a repayment agreement if there is already a repayment agreement in place with the family, or the amounts owed by the family exceed the Federal or State threshold for criminal prosecution.

17-I.D. RECORD KEEPING

The KEENE HOUSING AUTHORITY must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the KEENE HOUSING AUTHORITY must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

**17-I.Da. RECORD RETENTION**

KEENE HOUSING AUTHORITY Policy

During the term of each tenancy, and for at least four years thereafter, the KEENE HOUSING AUTHORITY will keep all documents related to a family's eligibility, tenancy, and termination.

In addition, the KEENE HOUSING AUTHORITY will keep the following records for at least four years:

An application from each ineligible family and notice that the applicant is not eligible

Lead-based paint records as required by 24 CFR 35, Subpart B

Documentation supporting the establishment of the Voucher Payment Standard or the Step Rents

Documentation supporting the establishment of utility allowances and surcharges

Documentation supporting KEENE HOUSING AUTHORITYS scores

Accounts and other records supporting KEENE HOUSING AUTHORITY budget and financial statements for the program

Other records as determined by the KEENE HOUSING AUTHORITY or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

**17-I.Db. RECORDS MANAGEMENT**

KEENE HOUSING AUTHORITYs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

KEENE HOUSING AUTHORITY Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized KEENE HOUSING AUTHORITY staff.

KEENE HOUSING AUTHORITY staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

**Privacy Act Requirements [24 CFR 5.212 and Form-9886]**

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the KEENE HOUSING AUTHORITY may release the information collected.

**Upfront Income Verification (UIV) Records**

KEENE HOUSING AUTHORITYs that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in *Enterprise Income Verification (EIV) System KEENE HOUSING AUTHORITY Security Procedures*, Version 1.2, issued January 2005.

KEENE HOUSING AUTHORITY Policy

Prior to utilizing HUD's EIV system, the KEENE HOUSING AUTHORITY will adopt and implement EIV security procedures required by HUD.

**Criminal Records**

The KEENE HOUSING AUTHORITY may only disclose the criminal conviction records which the KEENE HOUSING AUTHORITY receives from a law enforcement agency to officers or employees of the KEENE HOUSING AUTHORITY, or to authorized representatives of the KEENE HOUSING AUTHORITY who have a job-related need to have access to the information [24 CFR 5.903(e)].

The KEENE HOUSING AUTHORITY must establish and implement a system of records management that ensures that any criminal record received by the KEENE HOUSING AUTHORITY from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the KEENE HOUSING AUTHORITY action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].The KEENE HOUSING AUTHORITY must establish and implement a system of records management that ensures that any sex offender registration information received by the KEENE HOUSING AUTHORITY from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the KEENE HOUSING AUTHORITY action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a KEENE HOUSING AUTHORITY other than under 24 CFR 5.905.

KEENE HOUSING AUTHORITY POLICY

Criminal records will only be collected by the Occupancy Specialist and Inspector and given to the Property Manager. The criminal report will be kept in the criminal record file in a locked and secured location in the Property Manager's office. The report may be reviewed by the

Department Manager if the decision to take adverse action must be reviewed and approved by such person.

**Medical/Disability Records**
KEENE HOUSING AUTHORITYs are not permitted to inquire about the nature or extent of a person's disability. The KEENE HOUSING AUTHORITY may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the KEENE HOUSING AUTHORITY receives a verification document that provides such information, the KEENE HOUSING AUTHORITY should not place this information in the tenant file. The KEENE HOUSING AUTHORITY should destroy the document.

## 17-I.E. REPORTING REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

The KEENE HOUSING AUTHORITY has certain responsibilities relative to children with environmental intervention blood lead levels that are living in Section 8.
The KEENE HOUSING AUTHORITY must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional. The KEENE HOUSING AUTHORITY must also report each known case of a child with an environmental intervention blood lead level to the HUD field office.

KEENE HOUSING AUTHORITY Policy

The KEENE HOUSING AUTHORITY will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

The KEENE HOUSING AUTHORITY will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within 5 business days of receiving the information.

## 17-I.F.SHELTER HAC PAYMENTS

Keene Housing Authority provides subsidies on behalf of persons staying at the transitional housing located at 139 Roxbury Street. The subsidy is worth $5 per day/per guest, or $150 per month, whichever is less. The total monthly amount requested shall not exceed the actual rent charged.

The Monadnock Area Housing Coalition (MAHC) is responsible for the completion of the following required paperwork:

- Intake Application
- Declaration of Section 214 Status (Citizenship Form)
- Authorization for the Release of Information/Privacy Act Notice (form HUD-9886)

This paperwork must be completed for each client and submitted along with the request for payment form (Schedule of Shelter Housing Assistance Coupon Payments) on a monthly basis to the HAC Coordinator at KHA.

## 17-I.G. CHANGE OF OWNERSHIP

The KHA requires a written request by the participant who executed the HAC contract in order to make changes regarding who is to receive the KHA's subsidy payment or the address as to where the rent payment should be sent. (For Families who directly receive the subsidy).

The Keene Housing Authority requires a written request by the owner who signed the Apartment/Landlord Certification Form in order to make changes regarding who is to receive the

Keene Housing Authority's HAC payment or the address as to where the rent payment should be sent.
In addition, the Keene Housing Authority requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request.

Deed of Trust showing the transfer of title; and Tax Identification Number or Social Security Number. New owners will be required to execute IRS form W-9. The Keene Housing Authority may withhold the subsidy until the taxpayer identification number is received.

## Chapter 18
## Glossary

1937 Housing Act: The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.)

Absorption: In portability, the point at which a receiving housing authority stops billing the initial housing authority for assistance on behalf of a portable family. [24 CFR 982.4]

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant subsidy is based.

Administrative fee: Fee paid by HUD to the housing authority for the administration of the program.

Administrative Plan: The plan that describes housing authority policies for the administration of the tenant-based programs.

Admission: The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

Adult: A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

Allowances: Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the subsidy calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

Amortization Payment: In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual Contributions Contract (ACC): The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program.

Annual Income: 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.

d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program.

Assets: see net family assets.

Asset Income: Income received from assets held by household members. If assets total more than $5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income.

Assisted lease (lease): A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the housing authority.

Certificate: A document issued by a housing authority to a family selected for admission to the Certificate Program. The certificate describes the program and the procedures for housing authority approval of a unit selected by the family. The certificate also states the obligations of the family under the program.

Certification: The examination of a household's income, expenses, and family composition to determine the household's eligibility for program participation and to calculate the household's subsidy for the following 12 months.

Child: For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen: A citizen or national of the United States.

Common space: In shared housing: Space available for use by the assisted family and other occupants of the unit.

Congregate housing: Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

Consent form: Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

Contiguous MSA: In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial housing authority is located.

Continuously assisted: An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the HAC Program.

Cooperative: Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

Domicile: The legal residence of the household head or spouse as determined in accordance with State and local law.

Decent, safe, and sanitary: Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

Department: The Department of Housing and Urban Development.

Dependent: A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Disability assistance expenses: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family: A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person: See "person with disabilities."

Displaced family: A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Displaced person: A person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Drug related criminal activity: Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

Drug trafficking: The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

Elderly family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person: A person who is at least 62 years of age.

Evidence of citizenship or eligible status: The documents that must be submitted to evidence citizenship or eligible immigration status.

Exception rent: An amount that exceeds the published fair market rent.

Extremely low-income families: Those families whose incomes do not exceed 30 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

Fair Housing Act: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

Fair market rent (FMR): The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

Family includes but is not limited to:

a. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
b. An elderly family;
c. A near-elderly family;
d. A disabled family;
e. A displaced family;
f. The remaining member of a tenant family; and
g. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family members: include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

Family self-sufficiency program (FSS program): The program established by a housing authority to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share: The portion of rent and utilities paid by the family.

Family unit size: The appropriate number of bedrooms for a family as determined by the housing authority under the housing authority's subsidy standards.

50058 Form: The HUD form that Housing Authority's are required to complete for each assisted household in Section 8 to record information used in the certification and re-certification process, and, at the option of the housing authority, for interim reexaminations.

FMR/exception rent limit: The Section 8 existing housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the HAC Program, the housing authority may adopt a payment standard up to the FMR/exception rent limit.

Full-time student: A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or Certificate Program, as well as an institution offering a college degree.

Gross rent: The sum of the rent to the owner plus any utilities.

Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive participantial use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

Head of household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Household members: include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

Housing Assistance Payment (HAP): The monthly assistance by a housing authority, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing quality standards (HQS): The HUD minimum quality standards for housing assisted under the Section 8 program.

Housing voucher: A document issued by a housing authority to a family selected for admission to the Voucher Program. This document describes the program and the procedures for housing authority approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

Housing voucher holder: A family that has an unexpired housing voucher.

Imputed income: For households with net family assets of more than $5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

Income category: Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

Incremental income: The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

Initial Housing Authority: In portability, both: (1) a housing authority that originally selected a family that later decides to move out of the jurisdiction of the selecting housing authority; and (2) a housing authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing housing authority.

Initial payment standard: The payment standard at the beginning of the HAP contract term.

Initial rent to owner: The rent to owner at the beginning of the initial lease term.

Interim (examination): A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when changes in a household's circumstances warrant such a reexamination.

Jurisdiction: The area in which the housing authority has authority under State and local law to administer the program.

Lease: A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and the housing authority.

Live-in aide: A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

a. Is determined to be essential to the care and well being of the persons;
b. Is not obligated for the support of the persons; and
c. Would not be living in the unit except to provide the necessary supportive services.

Low-income families: Those families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act)

Manufactured home: A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufacture home space: In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Medical expenses: Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

Mixed family: A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Moderate rehabilitation: Rehabilitation involving a minimum expenditure of $1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

a. upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
b. repair or replace major building systems or components in danger of failure.

Monthly-adjusted income: One twelfth of adjusted income.

Monthly income: One twelfth of annual income.

Mutual housing is included in the definition of "cooperative".

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family: A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets:

a. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
c. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen: A person who is neither a citizen nor national of the United States.

Notice of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance, and the criteria for awarding the funding.

Occupancy standards: The standards that the housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Owner: Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

Participant (participant family]: A family that has been admitted to the housing authority's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the housing authority for the family (first day of initial lease).

Payment standard: The maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). The housing authority sets a payment standard in the range from 90 percent to 110 percent of the current FMR.

Person with disabilities: A person who:

a. has a disability as defined in Section 223 of the Social Security Act,

"Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

b. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:

(1) is expected to be of long-continued and indefinite duration,

(2) substantially impedes his or her ability to live independently, and

(3) is of such a nature that such ability could be improved by more suitable housing conditions, or

c. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act.

"Severe chronic disability that:
(1) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(2) is manifested before the person attains age 22;

(3) is likely to continue indefinitely;

(4) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and

(5) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

Portability: Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial housing authority.

Premises: The building or complex in which the dwelling unit is located, including common areas and grounds.

Private space: In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Preservation: This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

Proration of assistance: The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Section 8 Agency: A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

Reasonable rent: A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

Receiving Housing Authority: In portability, a housing authority that receives a family selected for participation in the tenant-based program of another housing authority. The receiving housing authority issues a certificate or voucher, and provides program assistance to the family.

Re-certification: A reexamination of a household's income, expenses, and family composition to determine the household's rent for the following 12 months.

Remaining member of a tenant family: A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

Rent to owner: The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Set-up charges: In a manufactured home space rental, charges payable by the family for assembly, skirting and anchoring the manufactured home.

Shared housing: A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

Shelter Allowance: That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

Single person: Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

Single room occupancy housing (SRO): A unit for occupancy by a single eligible individual capable of independent living that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.

Special admission: Admission of an applicant that is not on the housing authority waiting list or without considering the applicant's waiting list position.

Special housing types: Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

State Wage Information Collection Agency (SWICA): The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Statement of family responsibility: An agreement in the form prescribed by HUD, between the housing authority and a Family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

Subsidy standards: Standards established by a housing authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension: Stopping the clock on the term of a family's HAC, for such period as determined by the housing authority, from the time when the family submits a request for housing authority approval to lease a unit, until the time when the housing authority approves or denies the request. This is also referred to as tolling.

Tenant: The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent: The amount payable monthly by the family as rent to the owner minus any utility allowance.

Third-party (verification): Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

Tolling: see suspension.

Total tenant payment (TTP):

(1) Total tenant payment is the amount calculated under Section 3(a) (1) of the 1937 Act which is the higher of:

30 percent of the family's monthly-adjusted income;

10 percent of the family's monthly income;

Minimum rent; or

If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a) (1) shall be the amount resulting from one application of the percentage.

Utility allowance: If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a housing authority or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility hook-up charge: In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Utility reimbursement: The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit.

Verification:

a. The process of obtaining statements from individuals who can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).

The three types of verification are:

(1) Third-party verification, either written or oral, obtained from employers, public assistance agencies, schools, etc.)

(2) Documentation, such as a copy of a birth certificate or bank statement

(3) Family certification or declaration (only used when third-party or documentation verification is not available)

Very low-income families: Low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937 Act]

Violent criminal activity: Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher (rental voucher): A document issued by a housing authority to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and

the procedures for housing authority approval of a unit selected by the family and state the obligations of the family under the program.

Voucher holder: A family holding a voucher with unexpired search time.

Waiting list admission: An admission from the housing authority waiting list. [24 CFR 982.4]

Welfare assistance: Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. [24 CFR 5.603(d)]

Welfare rent: In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

Acronyms

ACC Annual Contributions Contract

CACC Consolidated Annual Contributions Contract

CFR Code of Federal Regulations

FMR Fair Market Rent

FSS Family Self Sufficiency (program)

HA Housing Authority

HAC Housing Assistance Coupon

HAP Housing Assistance Payment

HCDA Housing and Community Development Act

HQS Housing Quality Standards

HUD Department of Housing and Urban Development

INS (U.S.) Immigration and Naturalization Service

NAHA (Cranston-Gonzalez) National Affordable Housing Act

NOFA Notice of Funding Availability

OMB (U.S.) Office of Management and Budget

PBC Project-Based Certificate (program)

QHWRA Quality Housing and Work Responsibility Act of 1998

PHA Section 8 Agency

TTP Total Tenant Payment

# ADMINISTRATIVE PLAN
# FOR THE
# HEADING FOR HOME PROGRAM

**January 1, 2007**

| Revision Date | |
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**Approved by the PHA Board of Commissioners: 10/06**

**Submitted to HUD:**

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# "H4H Administrative Plan"

SECTION XXIII. HOMEOWNERSHIP OPTION: "HEADING FOR HOME" HOUSING ASSISTANCE COUPON (HAC) AND HOUSING CHOICE VOUCHER (HCV)

## 1. GENERAL PROVISIONS

The homeownership program of the Keene Housing Authority (KHA), known as the "Heading for Home Program" (H4H) offers eligible participants in the HAC or HCV programs the option of buying a home with mortgage payment assistance.

Eligible applicants for H4H must participate in KHA's Spectrum Program and be in good standing. Elderly and disabled families are exempt from participation in the Spectrum Program, but are eligible for H4H. Applicants must not owe debt to KHA or other housing authority, and must meet other eligibility requirements herein described.

## 2. PARTICIPANT ELIGIBILITY REQUIREMENTS

All Heading for Home (H4H) applicants must complete an application and meet qualifications to be added to the Section 8 waiting list whether they are currently assisted by the Keene Housing Authority or not. Applicants on the Section 8 waiting list reference a preference for Homeownership. Refer to the Moving to Work Section 8 Administrative Plan for details on preferences and ranking.

Participants receiving housing assistance through the Section 8 program or any of KHA owned and managed properties must fulfill their initial lease term with the KHA or their landlord and meet all initial eligibility requirements before a H4H voucher will be issued. The KHA will not hold their placement on the waiting list if they have not fulfilled these requirements at time of issuance. If their name is next on the waiting list they will not be offered a H4H voucher and their name will be removed from the Section 8 waiting list. They will need to reapply with a new date and time of application; however, they will still qualify for the H4H preference when they reapply.

Applicants applying for H4H assistance not currently assisted through the KHA's Section 8 program or living in one of KHA's owned or managed properties must apply through the Section 8 waiting list and will received the preference for Homeownership. The applicant must fulfill initial eligibility requirements before they are issued a voucher. Failure to do so will result in their application being removed from the waiting list.

Eligibility requirements for H4H include that the family must: (A) be a first-time homeowner or have a member who is a person with disabilities; (B) with the exception of elderly/disabled families, meet minimum income requirement without counting welfare income; (C) exempting elderly/disabled families, meet the employment criteria; (D) have completed an initial lease term in HAC, HCV or PHR; (E) not have defaulted on a mortgage securing debt to buy a home under any homeownership option; and (F) not have any member with ownership interest in a residence at commencement of H4H assistance.

A. First-time Homeowner

Exempting families with a disabled member, H4H participant families must not have had a member who has had an ownership interest during the three years prior to the beginning of H4H assistance. However, a single parent or displaced homemaker, who while married owned a home with a spouse (or resided in a home owned by a spouse), is considered a first-time homeowner. The right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest."

B. Minimum Income Requirement

Amount of Income

The head of household, spouse and/or other adult household members who will own the home must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2000 hours.

Exclusion of Welfare Assistance Income

Exempting elderly and families with a disabled member, welfare assistance income will be disregarded in determining the minimum income requirement. Welfare assistance includes TANF, SSI which is subject to an income eligibility test, food stamps, general assistance or other welfare assistance specified by HUD. The disregard of welfare assistance income affects the determination of minimum annual income to qualify for H4H. It does not affect income eligibility for admission to HAC, HCV or PHR; calculation of the family's TFC; or, calculation of the amount of H4H assistance payments.

C. Employment History

With the exception of elderly households and families with a disabled member, each family must demonstrate that one or more adult members of the family who will own the home at commencement of H4H assistance is employed full-time (not less than an average of 30 hours per week) and has been continuously employed for one year prior to execution of the sales agreement. KHA's CEO may also consider whether and to what extent an employment interruption is permissible. The CEO may also consider successive employment during the one-year period and self-employment in a business.

D. Prior Mortgage Defaults
If a head of household, spouse or other adult member who will execute the contract of sale, mortgage and loan documents has previously defaulted on an FHA or other government secured mortgage including NHHFA, the family will be ineligible to participate in H4H. KHA retains the right to deny participation in H4H for defaults on other types of mortgages in the past.

E. Other Ownership
No member of the household may have ownership interest in a residence at commencement of H4H assistance.

3. FAMILY PARTICIPATION REQUIREMENTS
Once a family is determined to be eligible to participate in H4H, it must comply with the following additional requirements: (A) complete a homeownership counseling program approved by KHA prior to commencement of H4H assistance; (B) locate the home to purchase in a specified time; (C) submit a sales agreement to KHA for approval; (D) allow KHA to perform a housing quality standards inspection (HQS); (E) obtain KHA approval of the proposed mortgage; and (F) enter into a written agreement with KHA to comply with all its obligations under H4H.

A. Homeownership Counseling Program
Prior to receiving H4H assistance, families must successfully complete a homeownership counseling program provided or approved by KHA within 24 months of closing on a home. The program will cover home maintenance, money management and budgeting, credit counseling, purchasing negotiations, securing financing, predatory lending, finding a home, fair housing and the advantages of purchasing in areas with a low concentration of low-income families. The counseling agency and program will be HUD approved or consistent with HUD's housing counseling program. Public Housing residents must participate in the Homeownership Education program and financial counseling before they will be issued a H4H voucher.

B. Locating and Purchasing a Home

<u>Locating a Home</u>
The family will be issued a H4H HAC or HCV upon approval to participate in H4H. The HAC or HCV will have an expiration date one hundred eighty (180) days from date of issue. A home will be considered located when the family submits a proposed sales agreement with the requisite components to KHA. KHA may extend the expiration date in thirty (30) day increments for good cause. During the search for a home to purchase, the family's HAC/HCV assistance or PHR continues; and, if unable to locate a home their HAC/HCV or PHR assistance continues.

Type of Home

A family approved for H4H may purchase the following types of new or existing single family units within Cheshire County: a detached home, a condominium, a home in a planned use development, or a manufactured home situated on a privately owned lot or on a leased pad in a mobile home park.. The unit must be already existing or under construction at the time KHA determines the family eligible for H4H.

Purchasing a Home

When a home is located and a sales agreement approved by KHA is signed by the family, the family will have up to three (3) months to purchase the home. KHA's CEO may extend the period for good cause. The CEO also may set a period of up to one year before the family may re-apply for H4H.

C. Sales Agreement

Prior to execution of the offer to purchase or sales agreement, the financing terms must be provided by the family to KHA for approval. The sales agreement must:

- provide for KHA HQS inspection
- the independent inspection described below, stating that the purchaser is not obligated to purchase unless inspections are satisfactory to KHA
- provide that the purchaser is not obligated to pay for any necessary repairs without approval by KHA
- provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by KHA as described below
- must contain a seller certification that the seller is not debarred, suspended or subject to a limited denial of participation under 24 CFR part 24.

D. Independent Initial Inspection

To assure the home complies with HQS, H4H assistance may not commence until KHA first inspects it. An independent inspection of existing homes covering major building systems also must be completed by a professional selected and paid by the family and approved by KHA. The independent inspection report must be provided to KHA. KHA may disapprove the unit due to information contained in the report or for failure to meet HQS.

E. Financing Requirements

The proposed financing terms must be submitted to and approved by KHA prior to close of escrow. KHA shall determine the affordability of the family's proposed financing. In making this determination KHA may take into account other family expenses such as child care, unreimbursed medical expenses, education and training, etc. Certain types of financing including, but not limited to, balloon payment mortgages unless convertible to a variable rate mortgage, are prohibited and will not be approved by KHA. Seller-financing mortgages will be considered by KHA on a case-by-case basis. When a mortgage is not FHA-insured, KHA will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/FHA, Ginnie Mae, Fannie Mae, Freddie Mac, NHHFA, USDA Rural Housing Services, Federal Home Loan Bank, or other private lending institution.

F. Compliance With family Obligations

A family must sign H4H Family Obligations agreeing to comply with all family obligations under the H4H policies. These are set forth in form HUD-52649.

4. DOWN PAYMENT ASSISTANCE

Down payment assistance is available through a variety of resources in New Hampshire. In all cases, KHA requires a minimum down payment of at least three percent with one percent coming from the family's own resources.

5. AMOUNT OF ASSISTANCE

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard (VPS) for which the family is eligible; monthly homeownership expenses; and, the family's household income. KHA will pay the lower of either the VPS minus the total family contribution (TFC) or the family's monthly homeownership expenses minus the TFC. The family will pay the difference.

Flat Rate Assistance
A family may receive flat rate assistance if it is determined that the family would receive zero (0) assistance, but meets all other eligibility criteria at the date of homeownership application. The flat rate is 50% of the applicable third step in the Spectrum HAC Program. The flat rate assistance will continue until the family's annual recertification determines that the family's gross income exceeds 140% of the area median income for the family's size. A family receiving flat rate assistance cannot change to income based assistance.

A. Determining the Payment Standard

The VPS used is the fixed amount that KHA annually establishes as the fair market rent for a unit of a particular size located within the KHA jurisdiction. In the H4H program, the payment standard will be the lower of either the VPS for which the family is eligible based on family size, or the VPS which applies to the bedroom size of the purchased unit. The payment standard for subsequent years will be the higher of the VPS at commencement of H4H participation, or the VPS in effect at the most recent regular reexamination of the family's income and size. For purposes of this comparison, the initial payment standard will not be decreased even if there is a subsequent decrease in family size. Where warranted as a reasonable accommodation for a family with a disabled member, KHA will request a higher payment standard, up to 120% of the published FMR.

B. Monthly Homeownership Expenses

Monthly homeownership expenses include:

Principal and interest on the initial mortgage
Mortgage insurance premium incurred to finance the purchase and any refinancing of such debt
Real estate taxes and public assessments
Homeowners' insurance
Costs of major repairs and replacements per KHA allowance (replacement reserves)
Utility allowance per KHA's standard schedule
Principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements including accessibility changes ($25 a month)
In addition to the above, KHA may approve amounts for cooperative charges under the cooperative occupancy agreement where applicable.

The TFC is the portion of the homeownership expense that the family must pay. It is the higher of 30% of the family's adjusted income, 10% of the gross monthly income, or the KHA minimum rent plus any gap between the VPS and the actual housing cost. All family income including public assistance is counted to determine the family's adjusted monthly income. Families receiving flat rate assistance pay the difference between the flat rate and homeownership expenses.

C. Payment to Family or Lender

KHA will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow. Unless the lender requires direct payment of KHA's contribution, KHA will pay the contribution directly to the family which will be responsible to submit the entire mortgage payment to the lender.

## 6. TERMINATION OF H4H ASSISTANCE

### A. Grounds for Termination of Assistance

Failure to Comply with H4H Family Obligations or KHA's H4H Policies

A family's homeownership assistance may be terminated if the family fails to comply with its obligations, homeownership policies or if the family defaults on the mmortgage. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide KHA with written notice: of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and homeownership expenses on an annual basis; any notice of mortgage default received by the family; and, any other notices which may be required pursuant to KHA policies. Except as otherwise provided in this section, the family may not convey or transfer the home to any entity or person, other than a member of the assisted family, while receiving H4H assistance.

Occupancy of Home

H4H assistance will be provided only while the family resides in the home. KHA will not continue assistance for the mortgage commencing the month after the family moves out. Neither the family nor the lender is obligated to reimburse KHA for assistance paid for the month the family moves out.

Changes in Income Eligibility

A family's H4H assistance may be changed in the month following annual recertification of the household income, but participation in the H4H program continues until such time as the assistance payment amounts to $0 for a period of six (6) consecutive months.

Maximum Term of H4H Assistance

Except elderly families and families with a disabled member, a family may receive H4H assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage has a term that is twenty years or longer, in which case the maximum term is fifteen (15) years. Elderly families and families with a disabled member are not subject to a maximum term limitation. If a family ceases to qualify as an elderly or disabled family, the appropriate maximum term becomes applicable from the date H4H assistance commenced; provided that such family will be eligible for six (6) additional months of assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that assistance payments are made, or is a spouse of any member who has an ownership interest.

### B. Procedure for Termination of H4H Assistance

H4H participants are entitled to the same termination notice and informal hearing procedures set forth in KHA's HAC or HCV Administrative Plans.

7. CONTINUED PARTICIPATION IN HAC OR HCV PROGRAMS

A. Default on FHA-Insured Mortgage
If the family defaults on an FHA-insured mortgage, KHA may permit the family to move with continued HAC or HCV assistance if the family demonstrates that it has (a) conveyed title to the home to HUD or its designee as required by HUD; and (b) moved from the home within the period established or approved by HUD.

B. Default on non-FHA-Insured Mortgage
If the family defaults on a mortgage that is not FHA-insured, KHA may permit the family to move with continued HAC or HCV assistance if the family demonstrates that it has (a) conveyed title to the home to the lender or to KHA as may be required by the lender; and (b) moved from the unit within the period established or approved by the lender and/or KHA.

8. KHA ADMINISTRATIVE FEE
For each month that homeownership assistance is paid by KHA on behalf of the family, KHA shall be paid the ongoing administrative fee described in 24 CFR 982.152(b).

8. WAIVER OR MODIFICATION OF HOMEOWNERSHIP POLICIES
The KHA CEO has discretion to waive or modify any provision of the H4H Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.