

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

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# PHA Plans

5-Year Plan for Fiscal Years 2005 - 2009

Annual Plan for Fiscal-Year 2005

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN  
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

**PHA Plan  
Agency Identification**

**PHA Name:** Baltimore County Housing Office

**PHA Number:** MD033

**PHA Fiscal Year Beginning:** 07/2005

**Public Access to Information**

**Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)**

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

**Display Locations For PHA Plans and Supporting Documents**

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

**5-YEAR PLAN**  
**PHA FISCAL YEARS 2005-2009**

[24 CFR Part 903.5]

**A. Mission**

The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

X The PHA's mission is:

Baltimore County's Housing Office is committed to administering quality rental assistance programs that effectively address the needs of County low-income, very low-income, and extremely low-income families. We will do this by providing leadership, innovative responses, and comprehensive support to our citizens.

Our rental assistance programs will: 1) provide decent, safe and affordable housing free from discrimination; 2) promote freedom of housing choice and spatial deconcentration; 3) provide incentives to private property owners to rent to lower income families; and 4) promote economic self-sufficiency.

**Housing Office Vision**

We are a **leader** in our profession.

We exist to **serve** our customers, and take pride in maintaining an open, responsive organization.

We provide staff the **information, skills and core competencies** needed to be successful in the changing housing environment, and to provide quality service to our customers.

We create opportunities to **integrate** the resources of **housing programs with welfare initiatives to support economic self-sufficiency.**

We communicate clearly, effectively and consistently with our clients and partners. **Communication, coordination and planning** are essential to our success.

We hold ourselves **accountable** for meeting the standards of our customers.

*The Housing Office has held to our mission as stated in our 5Year Plan, and accomplished many of the bold plans for providing quality rental assistance that we set out to achieve. Following our agency values, we have made progress in delivering innovative and comprehensive responses to families' affordable housing and economic self-sufficiency needs.*

## **B. Goals**

### **HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.**

- X PHA Goal: Expand the supply of assisted housing  
Objectives:
  - X Apply for additional rental vouchers:

Annually, the County will assess the need for and availability of rental vouchers. Based on this analysis, the County will apply for additional subsidies as warranted.

*During the past year the County received 294 new Section 8 Housing Choice Vouchers to assist families living in a blighted rental community to relocate.*

- Reduce public housing vacancies:
- X Leverage private or other public funds to create additional housing opportunities:

The Housing Office will seek collaborative opportunities to expand resources for our customers.

*During the past year, the County assisted 87 additional families to relocate from two blighted rental communities slated for demolition using a locally designed tenant-based voucher program developed with HOME Program funds.*

- Acquire or build units or developments
- Other (list below)

- X PHA Goal: Improve the quality of assisted housing  
Objectives:
  - Improve public housing management: (PHAS score)
  - X Improve voucher management: (SEMAP score)

The Housing Office will continue to invest in strengthening its management performance. HUD measures the performance of all housing authorities administering the Section 8 Housing Choice Voucher Program. Using the SEMAP Program (Section 8 Management Assessment Program), HUD monitors 14 key performance areas. These measure compliance with regulations, use of sound management practices and control systems, and achievement of standards.

*For the third successive year, in FY 2004 the Housing received HUD's "high performer" status with a score of 104.*

- X Increase customer satisfaction:

*During the past year, the Housing Office took action to increase the satisfaction of our internal and external customers. We await the results of two customer satisfaction surveys completed in late 2004.*

*Specific activities to increase customer satisfaction have included:*

1. *promoting application by those least likely to apply to our program—the elderly and the disabled;*
2. *participating in task force to improve information sharing among state, federal and local governments;*
3. *implementing a work unit dedicated to on-time listings of available units, and responses to customers (families and landlords)*
4. *issuing manual housing assistance payments checks to all landlords as soon as required leasing documents are received;*
5. *conducting personal signature briefings for remaining members of tenant households;*
6. *providing credit repair workshops for applicants and participants.*

- X Concentrate on efforts to improve specific management functions:  
(list; e.g., public housing finance; voucher unit inspections)
- Renovate or modernize public housing units:
- Demolish or dispose of obsolete public housing:
- Provide replacement public housing:
- X Provide replacement vouchers:

In compliance with federal regulation, expiring Section 8 Moderate Rehabilitation Program contracts for two apartment complexes have been renewed for one-year. At such time as authorized by HUD, the County will provide replacement vouchers to eligible families affected by contract expirations.

*During the past year, one Section 8 Moderate Rehabilitation Program contract expired. Eligible families living in the complex received either Section 8 Housing Choice Vouchers or HOME TBRA Program vouchers.*

- Other: (list below)

- X PHA Goal: Increase assisted housing choices  
Objectives:
  - X Provide voucher mobility counseling:

*During the past year, the Housing Office facilitated a 2% increase in the number of assisted families living in low poverty census tracts. 17% of all Section 8 families with children reside in low poverty census tracts, and 31.6% of all Section 8 mover families with children moved to low poverty census tracts.*

- X Conduct outreach efforts to potential voucher landlords

*The Housing Office has maintained a strong landlord outreach program, and during the past year increased the number of participating landlords to a record high of 1100. 261 new landlords contributed 611 new affordable housing units for program participants.*

## Housing Choices for Persons with Disabilities

The Housing Office will target resources to provide our citizens with disabilities affordable housing choices

*During FY 2004, the Housing Office maintained an active Section 8 Medicaid Waiver Program, which assisted 5 disabled persons to locate housing in our communities, exiting or avoiding nursing homes or placement. An additional 5 persons are in the process of leasing with Medicaid Waiver Vouchers.*

*The Housing Office also maintained 110 Independent Group Residency (IGR) subsidies in coordination with the County's Commission on Disabilities, and 140 Mainstream Program for the Disabled vouchers.*

- X Increase voucher payment standards
- X Implement voucher homeownership program:

*Baltimore County's voucher homeownership program is designed to target families taking steps toward economic self-sufficiency: those with stable employment and adequate income to make the homeownership program feasible. To that end, initial targeting will be to families successfully participating in the Family Self-Sufficiency Program.*

*The partnership of the Housing Office with the Office of Community Conservation will facilitate effective financing arrangements and management strategies necessary to maximize opportunities and minimize constraints so eligible households may purchase modest housing in a variety of housing markets.*

*Program components include 1) pre-purchase counseling, 2) home search assistance, 3) inspections, 4) home purchase financing models, and 5) post-purchase activities.*

*During the past calendar year 1/2004 – 12/2004, 19 Family Self-Sufficiency Program families purchased homes and are free of government rental assistance. This has raised our total number of homebuyers to 205 since 1998. (2 home purchases are now pending).*

- Implement public housing or other homeownership programs:
- Implement public housing site-based waiting lists:
- Convert public housing to vouchers:
- Other: (list below)

## **HUD Strategic Goal: Improve community quality of life and economic vitality**

- X PHA Goal: Provide an improved living environment
  - Objectives:
    - Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
    - Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:

- Implement public housing security improvements:
- Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
- X Other: (list below)

The Housing Office will coordinate with the County’s goals as stated in our Consolidated Plan. This document reflects our unified vision for community conservation and enhancement. Specifically, we will maintain a collaborative process of community and agency interaction to improve the quality of life and economic vitality in our communities with a focus on the following strategic issues:

- Assisting the private sector to expand employment and business opportunities;
- Achieving excellence in education;
- Making communities safe places to live, work, play and raise a family;
- Promoting a policy of Community renaissance by stabilizing and revitalizing neighborhoods;
- Promoting the revitalization of the County’s older commercial cores and corridors;
- Meeting the housing needs of the County’s population within the context of the community;
- Meeting the human service needs of the County’s population; and
- Promoting active community participation in the process and responsibility of governing.

The Housing Office has maintained active collaboration with our partners to improve the stability, safety and quality of life in our communities, with a focus on our conservation areas. We work closely with our Police and Health Departments, and our Office of Community Conservation to assess community needs and to work with residents to address these.

*The Housing Office continues its support of County initiatives to improve the **stability and economic vitality** in our communities. The agency maintains robust Family Self-Sufficiency and Welfare-to-Work Programs. The Housing Office also targets significant resources to our special needs populations, who now represent 53% of all program participants.*

***Persons with disabilities** constitute 35% of all subsidy holders. **The elderly** comprise 18% of all subsidy holders.*

*Finally, the Housing Office assists families who live in housing where the owner has chosen not to continue an assistance contract with HUD, as with the expiring Section 8 Moderate Rehabilitation Program contract with Dunleer Apartments in Dundalk. This area will be central to County renaissance efforts.*

*In sum, these activities contribute to stabilizing and revitalizing neighborhoods, as well as meeting families’ affordable housing needs within our communities.*

## **HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals**

- X PHA Goal: Promote self-sufficiency and asset development of assisted households  
Objectives:
  - X Increase the number and percentage of employed persons in assisted families

The Housing Office will:

- promote participation in our Family Self-Sufficiency Program, and;
- integrate programs and services with those of our Department of Social Services to eliminate barriers to participants' employment; and
- offer resources to increase participants' hourly earnings.

*Since 2000, the Housing Office has maximized participation in our Family Self-Sufficiency Program. Currently, 521 families voluntarily participate—exceeding our 500 family commitment. Through ongoing case management and resource development, this program has almost doubled the percent of families with escrow account balances since 2000: 37.9% in 2000 and 73.5% in 2005.*

*Currently, 39.3% of all subsidy holders have earned income (over 52% of our assisted families are elderly or disabled), while our FSS Program participants exceed this mark. 65% of our FSS families have gained first-time employment, and the average hourly wage for our FSS participant is \$15.52.*

- X Provide or attract supportive services to improve assistance recipients' employability:

The Housing Office will continue its strong program of collaboration with local service providers, community organizations and businesses, as well as faith institutions to identify and develop resources to promote the employability and economic self-sufficiency of our program families. Such resources may include education, job-readiness, and employment skills training – all with the focus on helping families create a career path and independence from government subsidy.

Our Section 8 Family Self-Sufficiency Program (FSS) is the linchpin of our efforts to help families make life changes that promote stability, geographic mobility, and economic self-sufficiency. In fact, the Housing Office has made FSS participation a mandatory component of our Section 8 Welfare-to-Work Program, known as the RISE Program (Rental Incentives Supporting Employment). This approach provides innovative strategies and a comprehensive response for families caught in the welfare cycle.

We will continue to engage our community partners in identifying and providing a broad array of resources and services for program participants. Our federal partners in the Department of Housing and Urban Development, Labor, Health and Human Services, Transportation and Education, along with a growing list of public and private service providers, businesses and centers of employment and training form the backbone of our response to families' employment needs.



**Collaboration.** Collaboration is the hallmark of County efforts to assist families in their move to economic self-sufficiency. Our Section 8 Program resources form the foundation of FSS Program collaboration with our County partners. These partners include the Department of Social Services' Family Investment Program (FIP), County Fire and Police Departments, the Office of Community Conservation, Work Force Solutions, the Workforce Transportation Coalition, and various other local businesses and financial institutions. Working with our partners, the FSS Program provides consistent one-on-one mentoring and case management. Monthly reporting, bi-monthly newsletters, quarterly credit workshops, and semi-annual educational forums keep program participants focused on their goals, and annual awards recognize individuals' progress and achievement.

**Welfare-to-Work Program.** The County's Section 8 Welfare-to-Work Program, known as the RISE Program (Rental Incentives Supporting Employment) has been successful in refocusing families from dependency on government subsidies to goals for financial independence. All RISE participants participate in our FSS Program, where they receive assistance in creating a plan for success. To maintain program participation, families must work and document progress in meeting self-sufficiency goals. During calendar year 2004, 415 families participated in the RISE Program.

<b>Family Self-Sufficiency Program Activity January 1, 2004 – December 31, 2004</b>	
Total # FSS participants.....	521
% Obtained first time employment	65%
Average hourly wage	\$15.52
Average increase in hourly wage (From entry into FSS Program)	\$8.23
% Participants with escrow account balances	73.5%
# Graduates (During the year)	25
# FSS graduates who purchased homes (During the year) (205 Since 1998)	19 (76%)

- X Provide or attract supportive services to increase independence for the elderly or families with disabilities.

### **Elderly**

Baltimore County is home to an increasing number of elderly persons. This is reflective in the graphs attachments “Median Age 1990 and 2000,” “Baltimore County Age Distribution,” and “Baltimore County Population, April 1, 2000.”

As stated in our Consolidated Plan, addressing the housing needs of the low-income elderly is a priority. Our Department of Aging has primary responsibility for coordinating services to and for our elderly citizens who now exceed 140,000. Department programs and activities support senior citizens in their efforts to remain healthy, active, and independent members of the community. The Department is committed to provide, coordinate and advocate for services to ensure the highest quality of life for both active and health impaired seniors, their families and caregivers.

Similarly, the Department of Social Services provides services to elderly adults. From the provision of a home aide to help with daily living tasks, to professional counseling or assistance in relocating to a safe environment, the Department strives to assist individuals while preserving each person’s self-determination and independence.

Core services during this plan’s five-year period are expected to include the following.

- Home care services – Provides paid in-home aides for personal-care assistance and self-care services critical to making sure an elderly citizen is safe and secure within his or her own home and community.
- CountyRide – Provides para-transit service designed to serve seniors and persons with disabilities.
- HealthScope – Provides free health education and screening services.
- Nutrition Services – Provides hot lunches to all senior centers.
- Partnerships – Provides resources and services where government funding does not exist (e.g. partnerships with private companies such as Metlife, GBMC, Merck, Patuxent Publishing Company, The Sun, Comcast, CVS/Pharmacy, GBMC Diversified Health, and Sheppard Pratt Health System).
- Community Outreach Program – Provides casework services at 18 senior centers, and to the homebound.
- Caregivers Program – Provides information and support services to residents who take care of elderly family members.
- Home Team Program – Matches eligible, case managed seniors with community volunteers to promote greater independence.
- Legal Services – Provides legal services under contract with the Legal Aid Bureau, Inc.
- Loan Closet – Provides durable medical equipment at no cost for as long as needed.
- Senior Centers – Provides meaningful social, recreational, educational, and preventive health services.
- Center Connection – Provides specialized staff assistance to enable seniors to participate in senior center activities.

***Elderly:*** During the past year the Housing Office continued a focus on expanding participation by our elderly citizens – a population that has been underserved. The Housing Office: 1) contacted local service providers to the elderly and reintroduced our program, 2) conducted home visits to interview and brief eligible households, and 3) offered referrals to existing and new elderly housing facilities.

**Families with Disabilities**

Baltimore County is committed to effectively delivering programs and services to families with disabilities, and their families and caretakers.

The most recent American Community Survey identifies a significant number of persons with disabilities living in Baltimore County. This includes:

6% of all persons ages 5-20 10% of all persons ages 21-64 35% of all persons ages 65 and older.
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Moreover, the County supports a strong network of agencies, supportive services providers, and businesses that provide resources and services to our citizens with disabilities.

The County embraces the federal government’s New Freedom Initiative, promoting the full participation of persons with disabilities in all areas of society. We strive to ensure our citizens with disabilities have the opportunity to learn and develop skills, engage in productive work, make choices about their daily lives, and participate fully in community life. The New Freedom Initiative supports the most integrated community-based settings for persons with disabilities.

A key factor in achieving this is providing opportunities for families with disabled persons to find and rent affordable housing in the community.

To this end, the County will ensure the following.

**Voucher Term**

The Housing Office maximizes the search time and subsequent extensions for families with a disabled person.

**Referral Services**

In addition to providing families with a disabled person a list of known accessible units, the Housing Office will provide a list of local supportive service and disability organizations that may provide such assistance as counseling services and funding for moving expenses or security deposits. Identified organizations will include state protection and advocacy agencies, the local Center for Independent Living (CIL), the State Medicaid agency, and disability advocacy groups that represent individuals with a variety of disabilities.

### Housing Search Assistance

If requested, the Housing Office will assist families with a disabled person to coordinate with a local supportive service or disability organization that may be able to provide housing search assistance.

### Cooperative Efforts With Other Governmental Agencies

The Housing Office will continue coordination with the local Departments of Social Services, Aging and Health to ensure the broadest range of services. The Memorandum of Understanding between the Housing Office and Health Department provides for rental assistance to families participating in the HOPWA Program. An agreement with the commission on Disabilities ensures targeted Independent Group Residency (IGR) subsidies are in use by member agencies.

To assist persons with disabilities transitioning out of institutional settings, the Housing Office will continue its program of working with the State Medicaid Waiver agency and our local Department of Social Services to distribute the County's allocation of Section 8 vouchers targeting Medicaid home and community-based services waiver persons.

### Special Purpose Vouchers

The County will maintain use of its Mainstream Housing Opportunities For Persons With Disabilities Program Section 8 vouchers by the target population. When requested, the Housing Office will assist in the identification of funding sources to cover the cost of any needed unit medications.

### Special Housing Types

The Housing Office will provide reasonable accommodation through the use of special housing types if requested and needed to make the Section 8 Program readily accessible to and usable by persons with disabilities.

Baltimore County directs significant resources to our citizens with disabilities. 35% of all subsidy holders are persons with disabilities, with 380 rental vouchers targeted specifically to persons with disabilities: 140 rent subsidies to our Mainstream Program, 105 to our HOPWA Program, 110 subsidies to our Independent Group Residency Program (IGR), and 25 subsidies to our Medicaid Waiver eligible citizens.

- Community Development Block Grant Program (CDBG) – The County commits approximately twenty percent (20%) of its CDBG Program funds to meeting the needs of people with disabilities.
- Rehabilitation Loan and Grant Program – This program will expand to provide funds to make multi-family housing accessible to meet the needs of persons with disabilities.
- WorkNet – This is an internet-based job bank to serve persons with disabilities.
- Accessible Housing Database – This is an internet-based database of accessible units for use in locating housing.
- Affordable / accessible Housing Registry – The Affordable / Accessible Housing Registry was created under the Nursing Facility Transition Grant or NFTG (*Grant #18-P91524 from the U.S. Department of Health and Human Services, Center for Medicare and Medicaid Services*). The Nursing Facility Transition Grant's purpose is to assist at least 150 disabled individuals residing in Maryland's nursing facilities over a three-year period in transitioning

back into their communities and implement strategies to change policies and regulations to increase accessible and affordable housing in Maryland.

X Other: (list below)

The Housing Office will maintain participation in the Housing Opportunities for Persons with AIDS (HOPWA) Program. Cooperatively administered by the Housing Office and the Department of Health, this valuable program provides rental assistance and supportive services to the target population. The County will seek to 1) maximize utilization of all available HOPWA funding under the region's fair share distribution of funding, and 2) collaborate with local service providers to expand services to promote the self-sufficiency of program participants.

**HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans**

X PHA Goal: Ensure equal opportunity and affirmatively further fair housing  
Objectives:

X Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:

Baltimore County's Consolidated Plan provides a 5-year strategic plan to affirmatively further fair housing. This PHA builds on this commitment.

The County participated in an Analysis of Impediments (AI) to Fair Housing Choice conducted by the Baltimore Metropolitan Council on behalf of the Baltimore Region, and has incorporated the findings into our local fair housing initiatives.

This analysis reviewed policies, procedures and practices to assess how impediments affect the location, availability, and accessibility of housing in the County. It also reviewed conditions affecting fair housing choice and examined existing and potential barriers to fair housing in the community, and local obstacles to the provision of housing.

- The analysis identified lack of public awareness of fair housing rights and responsibilities as a significant barrier to fair housing. The Housing Office is committed to working closely with advocacy groups to reduce this obstacle. Consistent with the Housing Office's Equal Opportunity Housing Plan, the Housing Office will support the Greater Baltimore Community Housing Resource Board (CHRB) and its activities, which promote fair housing and educate the public. The Housing Office will maintain participation in the CHRB's radio and television shows, as well as conferences and outreach efforts on tenant-landlord problems and housing discrimination problems.
- The Housing Office will support Baltimore Neighborhoods, Inc.'s (BNI) communication, education, and outreach efforts on tenant-landlord problems and housing discrimination.
- The Housing Office will promote housing choice using the mobility features of the Section 8 Program. The goal for all families is to move to an area where the family can find better schools, jobs, transportation and other services to enhance the quality of their lives.

- The Housing Office will encourage landlords to submit units for leasing that are not located in poverty or minority concentrated areas, and engage in an active program of outreach to encourage participation by landlords in opportunity areas.
- The Housing Office will conduct a variety of outreach activities to encourage participation of new landlords to expand housing opportunities, as well as to keep currently participating landlords apprised of new regulations. Presentations will include information concerning Fair Housing and Civil Rights requirements for assisted housing programs.
- The Housing Office will work with the County's Human Relations Commission to assist in resolving concerns raised by or about families participating in rental assistance programs and to educate landlords and the public on Fair Housing.
  - X Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
  - X Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
- The Housing Office will continue to promote the resources of available mobility counseling programs.
- The Housing Office will provide information to landlords on Fair Housing and the ADA, and actively promote participation of landlords with accessible units, and units that would satisfy varied unit size needs.
- The Housing Office will maintain its strong connection with the County's Commission on Disabilities to ensure fair and equal access to suitable housing in our communities. The Housing Office will actively promote the Rehabilitation Loan and Grant Program, the Independent Group Residency Program, the Mainstream Program, and use of the accessible unit database described above.
  - Other: (list below)

**Other PHA Goals and Objectives: (list below)**

**Annual PHA Plan**  
**PHA Fiscal Year 2005**

[24 CFR Part 903.7]

**i. Annual Plan Type:**

**Standard Plan**

**Streamlined Plan:**

- High Performing PHA**
- Small Agency (<250 Public Housing Units)**
- Administering Section 8 Only**

**Troubled Agency Plan**

**ii. Executive Summary of the Annual PHA Plan**

[24 CFR Part 903.7 9 (r)]

**iii. Annual Plan Table of Contents**

[24 CFR Part 903.7 9 (r)]

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<b>Attachments</b>	
Required Attachments:	43

- Admissions Policy for Deconcentration
- FY 2000 Capital Fund Program Annual Statement
- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

NA

Optional Attachments:

- X PHA Management Organizational Chart
- FY 2000 Capital Fund Program 5-Year Action Plan
- Public Housing Drug Elimination Program (PHDEP) Plan
- X Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- X Other (List below, providing each attachment name)

NA

**Supporting Documents Available for Review**

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies, Section 8 Homeownership Program
	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with	Annual Plan: Eligibility, Selection, and Admissions Policies



**List of Supporting Documents Available for Review**

<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
	deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	
	Public housing rent determination policies, including the methodology for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies X check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures X check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
X	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
X	Other supporting documents (optional) (list individually; use as many lines as necessary)	(See page 42)



## B. Housing Needs of Families on the Public Housing and Section 8 Tenant-Based Assistance Waiting Lists

\* In addition to annual turnover, the waiting list is routinely updated, and inactive applications are purged. (See Administrative Plan, Chapter 4.)

<b>Housing Needs of Families on the Waiting List</b>						
Waiting list type: (select one)						
<input checked="" type="checkbox"/> Section 8 tenant-based assistance						
<input type="checkbox"/> Public Housing						
<input type="checkbox"/> Combined Section 8 and Public Housing						
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional)						
If used, identify which development/subjurisdiction:						
	# of families	% of total families	Annual* Turnover	Hispanic	Non-Hispanic	
Waiting list total	9987	100%	2856			
Extremely low income <=30% AMI	8490	85.0%	2428			
Very low income (>30% but <=50% AMI)	1460	14.6%	417			
Low income (>50% but <80% AMI)	37	0.4%	11			
Families with children	7182	71.9%	2053 **			
Elderly families	588	5.9%	168			
Families with Disabilities	2655	26.6%	760**			
White	2773	27.8%	794	83	2690	
Black or African American	6631	66.4%	1896	199	6432	
American Indian/ Alaska Native	211	2.1%	61	6	205	
Asian	56	0.6%	18	2	54	
Native Hawaiian and Other Pacific Islander	13	0%	1	1	12	
Balance		3.0	86	9	294	
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes				<b>Total:</b>	<b>300</b>	<b>9687</b>
If yes:						
How long has it been closed (# of months)?						
Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes						
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input type="checkbox"/> Yes						

\* Includes dropped and moved to program assistance.

\*\* Families with disabilities can also be families with children, thus causing totals to be greater than 100% of waiting list.

## C. Strategy for Addressing Needs

Baltimore County's Consolidated Plan details the County's commitment within its fiscal capacity to ensuring that each of its residents has the resources to enjoy a high quality of life, and that each of its communities is livable and attractive. Among these resources is the right of fair and equal access to housing that is decent, safe, sanitary, and affordable. To this end, Baltimore County is dedicated to maintaining the institutional and financial capacity to ensure the availability of housing for all its citizens.

Housing Office activities in support of this commitment during the upcoming year will include:

- Ensuring full utilization of all existing subsidies;
- Promoting maintenance of the current supply of decent, affordable, assisted housing within the context of stable, well-maintained and well-serviced neighborhoods;
- Promoting homeownership and, in particular, assisting first-time homebuyers to purchase existing homes;
- Creating housing opportunities for populations with special needs, including the elderly, people with disabilities and households of low or fixed income;
- Providing opportunities for economic self-sufficiency and asset development needed to empower assisted housing program participants; and
- Promoting fair housing and equal opportunity in housing.

These activities represent sound investments in the future of the County, as well as in the future of each of its citizens.

### (1) Strategies

**Need: Shortage of affordable housing for all eligible populations**

**Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:**

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- X Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- X Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- X Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- X Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program

- X Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

**Strategy 2: Increase the number of affordable housing units by:**

- X Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- X Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- Other: (list below)

**Need: Specific Family Types: Families at or below 30% of median**

**Strategy 1: Target available assistance to families at or below 30 % of AMI**

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- X Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance

The Housing Office conducts ongoing outreach to encourage families of all types to apply for participation in the County’s rental assistance programs. Review of existing data on the characteristics of families served and families on the Section 8 Waiting List documents these exceed HUD’s targeting requirements, without any written policy or requirement to do so.

- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: Families at or below 50% of median**

**Strategy 1: Target available assistance to families at or below 50% of AMI**

X Employ admissions preferences aimed at families who are working  
 To further goals of economic self-sufficiency while broadening the income mix of eligible families with housing needs, the Housing Office may employ program specific preferences aimed at families who are working (e.g. preferences to comply with our local Section 8 Welfare-to-Work Program requirements).

- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: The Elderly**

**Strategy 1: Target available assistance to the elderly:**

- Seek designation of public housing for the elderly
- X Apply for special-purpose vouchers targeted to the elderly, should they become available
- X Other: (list below)

- The Housing Office will target outreach to elderly citizens least likely to apply for participation in rent subsidy programs.
- The Housing Office will coordinate with related supportive service providers to promote the use of Section 8 subsidies by Medicaid waiver eligible elderly families.

**Need: Specific Family Types: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- X Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- X Affirmatively market to local non-profit agencies that assist families with disabilities
- X Other: (list below)

- Maximize utilization of existing Mainstream , HOPWA and Independent Group Residency rent subsidies.
- Collaborate with the Department of Social Services, the Health Department, Commission on Disabilities, Making Choices for Independent Living, and County service providers in targeting of existing housing resources.
- Promote the resources of the County's accessible housing database.
- Promote the use of Section 8 subsidies for Medicaid waiver eligible families with disabilities.
- Promote the use of Section 8 subsidies in assisted living facilities.

**Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**

**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

- X Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- X Other: (list below)

Participate in public awareness activities coordinated by the Greater Baltimore Community Housing Resource Board (CHRB), the Governor's Housing Commission, and other disability service providers (e.g. conferences, outreach sessions, radio and television presentations).

**Strategy 2: Conduct activities to affirmatively further fair housing**

- X Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
  - X Market the section 8 program to owners outside of areas of poverty /minority concentrations
  - X Other: (list below)
- Collaborate with advocacy groups to increase public awareness of fair housing rights and responsibilities (CHRB, BNI, Metropolitan Baltimore Quadel, Human Relations Commission, Commission on Disabilities, MCIL, Legal Aid Bureau).
  - Include information on fair housing at all landlord meetings and conferences.

**Other Housing Needs & Strategies: (list needs and strategies below)**

**(2) Reasons for Selecting Strategies**

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing
- Extent to which particular housing needs are met by other organizations in the community
- X Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- X Community priorities regarding housing assistance
- X Results of consultation with local or state government
- X Results of consultation with residents and the Resident Advisory Board
- X Results of consultation with advocacy groups
- Other: (list below)



## 2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2000 grants)</b>		
a) Public Housing Operating Fund		
b) Public Housing Capital Fund		
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$34,875,813	5814 subsidies
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self- Sufficiency Grants		
h) Community Development Block Grant	\$13,035,846	See Consolidated Plan
<b>i) HOME TBRA</b>	\$1,000,000	150 subsidies
Other Federal Grants (list below)		
<b>HOPWA TBRA</b>	\$571,411	105 subsidies
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>		
<b>3. Public Housing Dwelling Rental Income</b>		
<b>4. Other income (list below)</b>		
Section 8 Moderate Rehabilitation Program	\$1,048,810	130 subsidies
<b>4. Non-federal sources (list below)</b>		
State Rental Allowance Program (RAP)	\$80,070	40 subsidies
<b>Total resources</b>	<b>\$37,576,104</b>	<b>6239 subsidies</b>

### **3. PHA Policies Governing Eligibility, Selection, and Admissions**

[24 CFR Part 903.7 9 (c)]

#### **A. Public Housing**

##### **(1) Eligibility**

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- When families are within a certain number of being offered a unit: (state number)  
 When families are within a certain time of being offered a unit: (state time)  
 Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity  
 Rental history  
 Housekeeping  
 Other (describe)

c.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

e.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

##### **(2)Waiting List Organization**

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list  
 Sub-jurisdictional lists  
 Site-based waiting lists  
 Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office  
 PHA development site management office  
 Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2.  Yes  No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

If yes, how many lists?

3.  Yes  No: May families be on more than one list simultaneously  
If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
- PHA main administrative office
  - All PHA development management offices
  - Management offices at developments with site-based waiting lists
  - At the development to which they would like to apply
  - Other (list below)

### **(3) Assignment**

- a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)
- One
  - Two
  - Three or More
- b.  Yes  No: Is this policy consistent across all waiting list types?
- c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

### **(4) Admissions Preferences**

- a. Income targeting:  
 Yes  No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?
- b. Transfer policies:  
In what circumstances will transfers take precedence over new admissions? (list below)
- Emergencies
  - Overhoused
  - Underhoused
  - Medical justification
  - Administrative reasons determined by the PHA (e.g., to permit modernization work)
  - Resident choice: (state circumstances below)
  - Other: (list below)
- c. Preferences
1.  Yes  No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If "no" is selected, skip to subsection (5) **Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

Date and Time

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes

Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

The PHA applies preferences within income tiers

Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

**(5) Occupancy**

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

The PHA-resident lease

The PHA's Admissions and (Continued) Occupancy policy

PHA briefing seminars or written materials

Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

At an annual reexamination and lease renewal

Any time family composition changes

At family request for revision

Other (list)

**(6) Deconcentration and Income Mixing**

a.  Yes  No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b.  Yes  No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

Adoption of site based waiting lists  
If selected, list targeted developments below:

Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments  
If selected, list targeted developments below:

Employing new admission preferences at targeted developments  
If selected, list targeted developments below:

Other (list policies and developments targeted below)

d.  Yes  No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

## **B. Section 8**

### **(1) Eligibility**

a. What is the extent of screening conducted by the PHA? (select all that apply)

- X Criminal or drug-related activity only to the extent required by law or regulation
- Criminal and drug-related activity, more extensively than required by law or regulation
- More general screening than criminal and drug-related activity (list factors below)
- X Other (list below)

Baltimore County conducts a criminal background check for all adult household members prior to admission to rental assistance programs. This includes a mandatory screening of sex offender registration in Maryland and other states where the household members are known to have resided.

The County requires the head of the household to sign a self-declaration form that screens for the following information regarding all family members.

- Previous evictions from federally assisted housing
- Citizen or eligible immigration status
- Needs of qualified individuals with disabilities
- Previous terminations from rental assistance under a Section 8 Program
- Unpaid rent or other amounts owed to a Housing Authority
- Breach of an agreement with a Housing Authority to pay amounts owed
- Arrests and convictions for criminal activity
- Registration as a sex offender

- b.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug-related activity
- Other (describe below)

The Housing Office provides only the following information about a family to prospective owners (from Housing Office records, if known):

- The family's current address
- The name and address of the family's current landlord
- The name and address of the family's prior landlord

This information is noted in writing on the back of the Request for Tenancy Approval form the Housing Office issues to the family, and which the family must provide to a prospective owner.

## **(2) Waiting List Organization**

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- None
- Federal public housing
- Federal moderate rehabilitation
- Federal project-based certificate program
- Other federal or local program (list below)

- b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)
- PHA main administrative office
- Other (list below)

Persons interested in applying for admission to Baltimore County's Section 8 Programs may obtain an application directly from the Housing Office in person or by mail. Applications may also be obtained at the following locations:

- County Department of Social Services District Offices and Service Divisions
- County Public Libraries
- County Health Department
- Project-based rental assistance developments
- Shelters for the homeless
- County's website [www.co.ba.md.us](http://www.co.ba.md.us)

### **(3) Search Time**

a. X Yes  No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

The initial term of the Housing Choice Voucher is 60 days from the date it is issued.

The Housing Office has the discretion to grant a 60-day extension of the term of the voucher only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by the Housing Office. Such extenuating circumstances may include the following, though the presence of these circumstances does not guarantee that an extension will be granted:

- Serious illness or death in the family; or
- Other family emergencies; or
- Family size or other special requirements make finding a unit difficult

The term provided families with a disabled person is generous to maximize the family's opportunity to find suitable housing. While there is no maximum term for such families, the term is not indefinite.

### **(4) Admissions Preferences**

a. Income targeting

Yes X No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

\*See Page 8. During the next year families served from the County's Waiting List will exceed the requirement.

b. Preferences

1. X Yes  No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing



- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- X Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

2 Date and Time

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- 1 Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- X Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD  
 The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers  
 Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

#### **(5) Special Purpose Section 8 Assistance Programs**

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan  
 Briefing sessions and written materials  
 Other (list below)

The County administer a number of special purpose Section 8 Programs. These include the Family Unification Program (FUP), the Mainstream Program for Housing Opportunities for the Disabled (Mainstream Program), the Family Self-Sufficiency Program (FSS), the Welfare-to-Work Program (RISE), and the Section 8 Medicaid Waiver Program.

The County takes affirmative action to make these programs and their policies known to the general public, as well as to potential applicants and current participants. As part of our marketing efforts, the policies for our special purpose programs are made available through public notices, newspaper articles, brochures, audio and visual reference presentations, outreach informational handbooks, and our policies and procedures booklet provided to all applicants and participants during their interviews and briefings. Additionally, these policies are available for reference in related program design documents, applications for funding, and memoranda of understanding.

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- Through published notices  
 Other (list below)

The Housing Office’s general outreach strategy is designed to attract applications from all elements of these programs’ eligible populations. To assure a broad mix of applicants, the Housing Office periodically reviews the family characteristics of applicants, and amends outreach efforts accordingly. The Housing Office conducts targeted outreach to make the availability of the valuable resources of our special purpose Section 8 Programs known to the public. In addition to published notices, the Housing Office regularly markets these programs through broad distribution of written materials such as brochures, flyers, poster, newsletter articles, letters, and canvas notices.

Further, the Housing Office conducts outreach presentations to local civic organizations, special interest groups, community associations, service providers, landlords, government agencies, and local businesses, to provide information on these programs and to encourage their support and referrals.



#### **4. PHA Rent Determination Policies**

[24 CFR Part 903.7 9 (d)]

##### **A. Public Housing**

###### **(1) Income Based Rent Policies**

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0  
 \$1-\$25  
 \$26-\$50

2.  Yes  No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1.  Yes  No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member  
 For increases in earned income  
 Fixed amount (other than general rent-setting policy)  
If yes, state amount/s and circumstances below:

- Fixed percentage (other than general rent-setting policy)

If yes, state percentage/s and circumstances below:

- For household heads
- For other family members
- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- Yes for all developments
- Yes but only for some developments
- No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95<sup>th</sup> percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)\_\_\_\_\_
- Other (list below)

- g.  Yes  No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

**(2) Flat Rents**

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)
- The section 8 rent reasonableness study of comparable housing
  - Survey of rents listed in local newspaper
  - Survey of similar unassisted units in the neighborhood
  - Other (list/describe below)

**B. Section 8 Tenant-Based Assistance**

**(1) Payment Standards**

- a. What is the PHA's payment standard? (select the category that best describes your standard)
- At or above 90% but below 100% of FMR
  - 100% of FMR
  - X Above 100% but at or below 110% of FMR
  - X Above 110% of FMR (if HUD approved; describe circumstances below)

HUD memorandum dated January 13, 2004 rescinded the field office authority for additional renewals of exception payment standard amounts. The formula prescribed by HUD still allows for an increased payment standard for units located in the 120% exception rent area.

- b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)
- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
  - The PHA has chosen to serve additional families by lowering the payment standard
  - Reflects market or submarket
  - Other (list below)
- c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)
- X FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
  - Reflects market or submarket
  - X To increase housing options for families
  - Other (list below)
- d. How often are payment standards reevaluated for adequacy? (select one)
- X Annually
  - Other (list below)

- e. What factors will the PHA consider in its assessment of the adequacy of its payment standard?  
(select all that apply)
- X Success rates of assisted families
  - X Rent burdens of assisted families
  - X Other (list below)

HUD Headquarters – Economic and Market Analysis Data

**(2) Minimum Rent**

- a. What amount best reflects the PHA’s minimum rent? (select one)

- X \$0
- \$1-\$25
- \$26-\$50

- b.  Yes X No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

**5. Operations and Management**

[24 CFR Part 903.7 9 (e)]

**A. PHA Management Structure**

(select one)

- X An organization chart showing the PHA’s management structure and organization is attached.
- A brief description of the management structure and organization of the PHA follows:

## B. HUD Programs Under PHA Management

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	NA	NA
Section 8 Vouchers	5714	700
Section 8 Certificates		
Section 8 Mod Rehab	130	14
Special Purpose Section 8 Certificates/Vouchers (list individually)		
Preservation	45	5
Opt Outs	1458	131
FUP	100	11
Welfare to Work	415	37
Mainstream Program	130	12
Medicaid Program	5	1
Public Housing Drug Elimination Program (PHDEP)	NA	NA
RAP	45	4
Other Federal Programs(list individually)		
HOPWA TBRA	107	10
HOME TBRA	150	16
<b>TOTAL</b>	6101	740

\*Footnote: Counted in with Section 8 vouchers above.

## C. Management and Maintenance Policies

(1) Public Housing Maintenance and Management: (list below)

(2) Section 8 Management: (list below)

All Section 8 management policies are contained in the attached Administrative Plan.

## 6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

### A. Public Housing

1.  Yes  No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?



If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

- PHA main administrative office  
 PHA development management offices  
 Other (list below)

**B. Section 8 Tenant-Based Assistance**

1.  Yes X No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

- X PHA main administrative office  
 Other (list below)

**7. Capital Improvement Needs**

[24 CFR Part 903.7 9 (g)]

**A. Capital Fund Activities**

**(1) Capital Fund Program Annual Statement**

Select one:

- The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

- The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

**(2) Optional 5-Year Action Plan**

a.  Yes  No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

- The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

- The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

## **B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)**

- Yes  No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)
1. Development name:
  2. Development (project) number:
  3. Status of grant: (select the statement that best describes the current status)
    - Revitalization Plan under development
    - Revitalization Plan submitted, pending approval
    - Revitalization Plan approved
    - Activities pursuant to an approved Revitalization Plan underway
- Yes  No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?  
If yes, list development name/s below:
- Yes  No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?  
If yes, list developments or activities below:
- Yes  No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?  
If yes, list developments or activities below:

## **8. Demolition and Disposition**

[24 CFR Part 903.7 9 (h)]

1.  Yes  No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

Yes  No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

<b>Demolition/Disposition Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>	
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>	
4. Date application approved, submitted, or planned for submission: (DD/MM/YY)	
5. Number of units affected:	
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development	
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:	

**9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities**

[24 CFR Part 903.7 9 (i)]

1.  Yes  No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

<b>Designation of Public Housing Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	Occupancy by only the elderly <input type="checkbox"/> Occupancy by families with disabilities <input type="checkbox"/> Occupancy by only elderly families and families with disabilities <input type="checkbox"/>
3. Application status (select one)	Approved; included in the PHA's Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission:	<u>(DD/MM/YY)</u>
5. If approved, will this designation constitute a (select one)	<input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected:	
7. Coverage of action (select one)	<input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

## **10. Conversion of Public Housing to Tenant-Based Assistance**

[24 CFR Part 903.7 9 (j)]

### **A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act**

1.  Yes  No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

#### 2. Activity Description

- Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.

<b>Conversion of Public Housing Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. What is the status of the required assessment?	
<input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)	
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)	
4. Status of Conversion Plan (select the statement that best describes the current status)	
<input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway	
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one)	
<input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: ) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved: ) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved: ) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)	

**B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937**

**C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937**

[24 CFR Part 903.7 9 (k)]

**A. Public Housing**

1.  Yes  No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing

Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

<b>Public Housing Homeownership Activity Description (Complete one for each development affected)</b>	
1a. Development name:	
1b. Development (project) number:	
2. Federal Program authority:	
<input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)	
3. Application status: (select one)	
<input type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application	
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)	
5. Number of units affected:	
6. Coverage of action: (select one)	
<input type="checkbox"/> Part of the development <input type="checkbox"/> Total development	

**B. Section 8 Tenant Based Assistance**

1. X Yes  No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description:

As noted in the 5-Year Strategic Plan of the County’s Consolidated Plan, Baltimore County places great emphasis on increasing homeownership rates, especially in its older communities. The

County identifies homeownership as the greatest stabilizing factor for any community, yet recognizing this is often difficult to achieve for low-to-moderate income households.

The Section 8 Homeownership Program will provide opportunities for qualified households to purchase modest houses in good condition and under financing terms that will be affordable over the long-term.

Baltimore County will provide Section 8 Homeownership Program opportunities to a maximum of 25 families at any time.

a. Size of Program

X Yes  No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- X  25 or fewer participants  
 26 - 50 participants  
 51 to 100 participants  
 more than 100 participants

b. PHA-established eligibility criteria

X Yes  No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

To be considered for the Homeownership Program, the participant must:

- Be a participant in good standing
- Be a participant in Baltimore County's Family Self-Sufficiency Program
- Be a first-time homebuyer
- Be employed full-time for one year before purchasing – if a non-elderly or disabled household
- Meet minimum income requirements
- Complete 8 - 16 hours of approved pre-purchase homebuyer education.

## **12. PHA Community Service and Self-sufficiency Programs**

[24 CFR Part 903.7 9 (1)]

### **A. PHA Coordination with the Welfare (TANF) Agency**

1. Cooperative agreements:

X Yes  No: Has the PHA has entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

- Baltimore County’s Housing Office (HO) and Department of Social Services (DSS), the County’s TANF Agency, have an extensive history of collaborating in the development and administration of innovative, locally designed programs, and in our associated experiences with other local programs and agencies targeting our very low-income families.

The Housing Office and DSS have effectively collaborated since 1985 in designing and administering programs that incorporate rental assistance and counseling. Notably, these have included five rounds of the Family Unification Program, the Homeless Section 8 Program, the Housing Counseling Program, the SAFAH Program, the Mainstream Program, Operation Bootstrap, and Project Self-Sufficiency. Too, we cooperatively administer two state funded rental assistance programs incorporating case management to move families to economic self-sufficiency.

- In 1994 the County integrated the Housing Office, with its responsibility for administration of the County’s federal and state rent subsidy programs, into the local Department of Social Services. Recognizing that safe, affordable housing is fundamental to resolving complex social and economic problems, this integration promotes comprehensive, coordinated approaches to meeting our citizens’ needs.
- We have a system of on-going, open communications with all segments of DSS, and this has benefited the families we serve. Recognizing that safe, affordable housing is the foundation for families needing to resolve social and economic problems, Housing staff and services staff meet regularly to assess current and emerging needs, review the status of mutual clients, and identify gaps in service. Many of our programs require monthly or quarterly written evaluation of families’ progress. We believe we stand as a model for such seamless delivery of service.

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- Other (describe)

**B. Services and programs offered to residents and participants**

**(1) General**

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Public housing rent determination policies
- Public housing admissions policies



- X Section 8 admissions policies
- Preference in admission to section 8 for certain public housing families
- X Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for public housing homeownership option participation
- Preference/eligibility for section 8 homeownership option participation
- Other policies (list below)

b. Economic and Social self-sufficiency programs

- X Yes  No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use. )

<b>Services and Programs</b>				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Baltimore County Police & Youth Mentoring Program	47	Waiting List	*PHA Main Office	Section 8
Sojourner Douglass College Workforce Transportation Program	23	Specific criteria	*PHA Main Office *Sojourner Douglass College/ Balto. Co. DSS	Section 8
Budgeting Classes	306	As requested/ Needed	*Consumer Credit Counseling Service/ PHA *Genus Credit Management *Omega Financial Services *Neighborhood Housing Services of Hillendale *FDIC Money Smart Adult Education Program	Section 8
Parenting Classes	82	As requested/ needed	*Young Parent Support Center *The Family Tree at Franklin Square Hospital *Juana Chapman, Speakers Bureau at Sheppard Pratt	Section 8
Credit Repair Workshops	56	Specific criteria	PHA Main Office	Section 8
Homeownership Workshops	616	Specific criteria	PHA Main Office	Section 8
Community Colleges of Baltimore County	84	Specific criteria	*PHA / DSS Catonsville, Essex, Dundalk	Section 8
Office of Work Opportunity University of MD, Dental School	1	Specific criteria	*PHA Main Office *University of MD, Baltimore	Section 8
Work Force Solution	4	Specific criteria	*PHA Main Office	Section 8
Job Network Partnership	32	Specific criteria	*PHA Main Office	Section 8

**(2) Family Self Sufficiency program/s**

a. Participation Description

<b>Family Self Sufficiency (FSS) Participation</b>		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing		
Section 8	500	521 (Current) 1609 (Comprehensive)

- b.  Yes  No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?  
If no, list steps the PHA will take below:

### C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

- Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
- Informing residents of new policy on admission and reexamination
- Actively notifying residents of new policy at times in addition to admission and reexamination.
- Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- Establishing a protocol for exchange of information with all appropriate TANF agencies
- Other: (list below)

<b>D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937</b>
----------------------------------------------------------------------------------------------------------------

### **13. PHA Safety and Crime Prevention Measures**

[24 CFR Part 903.7 9 (m)]

#### A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- Residents fearful for their safety and/or the safety of their children
- Observed lower-level crime, vandalism and/or graffiti
- People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed "in and around" public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

**B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year**

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design
- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

**C. Coordination between PHA and the police**

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- Other activities (list below)

2. Which developments are most affected? (list below)

**D. Additional information as required by PHDEP/PHDEP Plan**

- Yes  No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- Yes  No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?
- Yes  No: This PHDEP Plan is an Attachment. (Attachment Filename: \_\_\_\_)

**14. RESERVED FOR PET POLICY**

[24 CFR Part 903.7 9 (n)]

## **15. Civil Rights Certifications**

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

## **16. Fiscal Audit**

[24 CFR Part 903.7 9 (p)]

1. X Yes  No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?  
(If no, skip to component 17.)
2. X Yes  No: Was the most recent fiscal audit submitted to HUD?
3.  Yes X No: Were there any findings as the result of that audit?
4.  Yes  No: If there were any findings, do any remain unresolved?  
If yes, how many unresolved findings remain? \_\_\_\_\_
5.  Yes  No: Have responses to any unresolved findings been submitted to HUD?  
If not, when are they due (state below)?

## **17. PHA Asset Management**

[24 CFR Part 903.7 9 (q)]

1.  Yes  No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
2. What types of asset management activities will the PHA undertake? (select all that apply)  
 Not applicable  
 Private management  
 Development-based accounting  
 Comprehensive stock assessment  
 Other: (list below)
3.  Yes  No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

## **18. Other Information**

[24 CFR Part 903.7 9 (r)]

### **A. Resident Advisory Board Recommendations**

1. X Yes  No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?
2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)  
 Attached at Attachment (File name)  
X Provided below:

The County's Resident Advisory Board (RAB) has emerged as an active and critical partner in developing responses to the needs of our rent subsidy program participants. The eight RAB members represent a vertical slice of our Section 8 Program participants by geographic location and family circumstance, and serve one-year, renewable terms.

They have been active, and have pursued an ambitious agenda, with guidance from our Family Self-Sufficiency Program coordinator.

### **Notable activities**

#### **Regular, ongoing meetings**

The RAB meets quarterly and maintains an active agenda. Sharing a light meal together, they tackle current issues relevant to the Section 8 Program, and renters in general, as well as the challenge of economic self-sufficiency.

#### **Identification, selection and orientation of new RAB members**

The RAB has demonstrated commitment to the program and process. During this past year four RAB members became inactive. The remaining members decided to implement a plan to identify replacements. At their direction, a solicitation for new board members was included in our FSS newsletter. Nine participants volunteered. The board reviewed these applications and selected four new members, whom the board then oriented.

#### **Setting goals**

The RAB has identified goals to address certain unmet needs of our program applicants and participants, and they mapped activities to meet these goals. The board identified poor credit as a major barrier to families' success. They set out to develop a program of "healthy credit" workshops. They reviewed existing credit programs and presenters, and selected one to initiate the program. Then, then established objectives, a schedule of workshops, and a target population.

The RAB is currently considering a new initiative: improvement of landlord-tenant relations through open dialogue. Specifically, they are considering convening panel discussions.

#### **Participation in FSS quarterly workshops and seminars**

The RAB worked with FSS staff to develop and implement a well-received series of workshops on developing healthy credit that target participant, as well as Waiting List families. The workshops are limited in size to allow for one-on-one interaction. The outside presenters cover basic banking, budgeting, credit (what is it, and how it affects your future), setting financial goals, and homeownership. Attendees have homework, and provide updates on their progress. RAB members attend sessions and help on a peer-to-peer basis.

The RAB also helps plan and present the quarterly FSS events, including educational presentations, homeownership presentations, and workshops on topics such as dressing for success. The RAB has decided to include employers as presenters, so they can discuss the importance of stable employment.

3. In what manner did the PHA address those comments? (select all that apply)

- Considered comments, but determined that no changes to the PHA Plan were necessary.  
 The PHA changed portions of the PHA Plan in response to comments  
List changes below:

Other: (list below)

### **B. Description of Election process for Residents on the PHA Board**

1.  Yes  No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2.  Yes  No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

### 3. Description of Resident Election Process

#### a. Nomination of candidates for place on the ballot: (select all that apply)

- Candidates were nominated by resident and assisted family organizations  
 Candidates could be nominated by any adult recipient of PHA assistance  
 Self-nomination: Candidates registered with the PHA and requested a place on ballot  
 Other: (describe)

#### b. Eligible candidates: (select one)

- Any recipient of PHA assistance  
 Any head of household receiving PHA assistance  
 Any adult recipient of PHA assistance  
 Any adult member of a resident or assisted family organization  
 Other (list)

#### c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)  
 Representatives of all PHA resident and assisted family organizations  
 Other (list)

### **C. Statement of Consistency with the Consolidated Plan**

1. Consolidated Plan jurisdiction: Baltimore County, Maryland
2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.

- X The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- X Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)

Housing Office activities to be undertaken during the coming year are consistent with the initiatives contained in the County’s Consolidated Plan. These activities include:

- Expanding the supply of decent, affordable assisted housing within the context of stable, well-maintained and well-serviced neighborhoods;
- Promoting homeownership, and assisting first-time homebuyers to purchase existing homes;
- Creating housing opportunities for populations with special needs, including the elderly, people with disabilities, and families of low or fixed income;
- Providing opportunities for economic and social self-sufficiency, and asset development;
- Promoting fair housing and equal opportunity.

Other: (list below)

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

Baltimore County’s Consolidated Plan and PHA Plan are mutually supportive of the activities described therein. The goals and strategies of the Five-Year Consolidated Plan are reflected in the Five-Year Agency Plan, and the Consolidated Plan’s One-Year Action Plan is consistent with the activities described in the Agency Annual Plan. Similarly, these plans are consistent with the County’s Master Plan.

Specifically, the Consolidated Plan’s goals, strategies and focus of resources supports the activities identified in our Agency Plan. The Consolidated Plan’s anti-poverty strategy reflects the County’s commitment to address the needs of our low-income citizens through activities as identified in #2 above.

Moreover, the Consolidated Plan supports the PHA Plan’s collaborative strategies to meet our goals of: 1) increasing the availability of decent, safe and affordable housing, 2) improving community quality of life and economic vitality, 3) promoting self-sufficiency and asset development of families and individuals, and 4) ensuring equal opportunity in housing for all citizens.

**D. Other Information Required by HUD**



## **Definitions:**

From time to time the County may make discretionary changes to plans or policies governing the administration of the Section 8 Housing Choice Voucher Program. Within this context, Baltimore County will use the following definitions to determine the need to employ full public hearing and HUD review before implementation of such changes.

### **Substantial Deviation of the Annual Plan from the 5-Year Plan**

Substantial deviation includes the deletion of any stated annual strategy essential to achieving 5-Year Plan goals.

### **Significant Amendment or Modification to the Annual Plan**

Significant amendments or modifications are discretionary changes in the County's plans or policies that fundamentally change the mission, goals, objectives or plans of the County.

## Attachments

### Electronically submitted

- Public Hearing Transcript
- PHA Plan Summary
- Administrative Plan Revisions

### Hard copies of the attachments listed below are located at:

Baltimore County Department of Social Services  
Housing Office  
Drumcastle Government Center  
6401 York Road  
Baltimore, Maryland 21212

- Public Hearing Announcement Letter – Timothy Griffith, Director  
Baltimore County Department of Social Services
- Public Notice Ad
- Standard PHA Plan PHA Certifications of Compliance
- Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan
- Certification Regarding Lobbying
- Certification of Payments to Influence Federal Transactions
- Certification for Drug-Free Workplace
- Resolution Approving Baltimore County’s Public Housing Agency Plans
- Certification of Publication – The Baltimore Sun
- Certification of Publication – The Jeffersonian  
Arbutus Times  
Catonsville Times  
Towson Times  
Owings Mills Times  
NE Booster/Reporter  
North County News
- Baltimore County Government Organization Chart
- Baltimore County Department of Social Services Organization Chart
- Housing Office Organization Chart
- Section 8 Data Summary
- HQS Acceptability Criteria
- Graphs
  - Age graphs
  - Population by Race
  - Population by Ethnicity
  - Population & Housing Locations
  - Renter Locations
- Family Self-Sufficiency Workshops
- Homeownership Workshops
- News Article- “Section 8 demand exceeds supply”

## PHA Plan Table Library

### Component 7 Capital Fund Program Annual Statement Parts I, II, and II

#### Annual Statement

#### Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number      FFY of Grant Approval: (MM/YYYY)

Original Annual Statement

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	
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	1498 Mod Used for Development	
19	1502 Contingency	
20	<b>Amount of Annual Grant (Sum of lines 2-19)</b>	
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	
23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

**Annual Statement**  
**Capital Fund Program (CFP) Part II: Supporting Table**

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost

**Annual Statement**  
**Capital Fund Program (CFP) Part III: Implementation Schedule**

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)

### Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

Optional 5-Year Action Plan Tables				
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
Description of Needed Physical Improvements or Management Improvements			Estimated Cost	Planned Start Date (HA Fiscal Year)
Total estimated cost over next 5 years				



**Summary**

**Baltimore County's PHA Plan  
5-Year Plan for Fiscal-Years 2005-2009  
Annual Plan for Fiscal-Year 2005**

**May 4, 2005**



**5-Year Plan for Fiscal-Years 2005-2009**

**Annual Plan for Fiscal-Year 2005**

**Baltimore County's PHA Plan Summary**  
**5-Year Plan for Fiscal Years 2005 – 2009**  
**Annual Plan for Fiscal-Year 2005**

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**Baltimore County's Planning Documents**

**Rental Assistance Programs**

Every housing authority must have **two policy and planning documents** related to the Section 8 Housing Choice Voucher Program: the **Administrative Plan** and the **PHA Plan**.

The **Administrative Plan** describes local policies adopted in each area where the PHA has discretion. Section 8 regulations specify the policy areas that must be covered in the administrative plan. Policies covered in the Admin Plan include how families will be selected from the waiting list, who qualifies to receive a subsidy, how long families have to search for a unit, the size voucher (# of bedrooms) families receive, the type of assistance provided to families that include persons with disabilities, grievance procedures, etc.

Changes to local policy are subject to public review and comment. For this reason, Baltimore County makes all plan revisions available to the public at the time of the public review of our PHA Plan.

The **PHA Plan** is a planning document. It articulates the PHA's mission, and spells out the agency's long-term and short-term plans to carry out that mission. The PHA Plan provides information on the housing needs of our low-income families, the resources the Section 8 Program brings to meet those needs, and the policies, rules and standards that govern program participation and management.

**Community Development / Conservation**

The PHA Plan is part of HUD's comprehensive planning process. It coordinates with the County's **Consolidated Plan** for use of federal dollars to develop viable communities with Community Development Block Grant (CDBG), Home Investment Partnerships Act (HOME) and Emergency Shelter Grant (ESG) funds.

The County coordinates the publication of the PHA and Consolidated Plans, as well as the required public hearings.

**Master Plan**

The **Master Plan 2010** is Baltimore County's plan for development for a ten-year period, and it is updated every four years. The Master Plan focuses on primarily on land use and development. It guides the protection of our rural areas and the revitalization of our established neighborhoods, and ensures growth occurs in an orderly manner.

Zoning, capital improvements such as extension of water and sewer lines, community plans, and various regulations and standards are reviewed for compliance with the Master Plan.

## **Baltimore County's PHA Plan: 2005 - 2009**

The PHA Plan consists of two documents:

- ❑ A *Five-Year Plan* that describes the mission of the PHA, its long-term goals, and quantifiable objectives for achieving the mission, and achievements during the past year.
- ❑ An *Annual Plan* that provides details about the PHA's participants, programs and services, and its strategy for addressing operational concerns, families' needs, programs and services for the upcoming fiscal year.

This is Baltimore County's second PHA Plan.

### **Five-Year Plan Highlights**

Goal: Increase customer service (pages 2 - 4)

During the past year, activities to increase customer satisfaction have include:

- ❑ Promoting application by those least likely to apply to our program (elderly and disabled)
- ❑ Implementing a work unit dedicated to providing on-time listings of available units to families
- ❑ Issuing manual housing assistance payment checks to landlords
- ❑ Providing personal program signature briefings
- ❑ Implementing credit repair workshops for program applicants and participants

Goal: Increase assisted housing choices

During the past year, the Housing Office:

- ❑ Increased the number of assisted families living in low poverty census tracts by 2%  
17% of all program families with children live in low poverty census tracts  
31.6% of all program mover families with children live in low poverty census tracts
- ❑ Increased the total number of participating landlords by 10% to 1100
- ❑ Increased housing choices for persons with disabilities through a Medicaid Waiver Program
- ❑ Maintained an active homeownership program component  
19 families purchased homes and are free of rental assistance  
Since 1998, 205 program families have been assisted to purchase homes.

Goal: Improve community quality of life and economic vitality

During the past year, the Housing Office:

- ❑ Targeted assistance to County special needs populations

53% of all program participants are elderly or disabled  
Goal: Promote self-sufficiency and asset development

During the past year, the Housing Office:

- ❑ Exceeded our mandated Family Self-Sufficiency Program size, with 521 participating families
- ❑ Doubled the percent of FSS families with escrow account balances since 2000  
37% had escrow accounts in 2000, while 73.5% have account balances in 2005
- ❑ Maintained a 39.3% rate of employment for all program families
- ❑ Maintained a 65% rate of first time employment for all FSS families  
FSS families earn an average hourly wage of \$15.52

### **New Program Initiatives**

Pages 9 – 10

The Housing Office has incorporated language in our PHA Plan and our Administrative Plan to reflect the President's New Freedom Initiative, promoting the full participation of persons with disabilities in all areas of society. The language reflects our practices to support the most integrated community-based settings for persons with disabilities.

## **Annual Plan Highlights**

### **1. Statement of Housing Needs**

The chart on page 5 reflects the needs of **all families** in the County. It uses the federal government's new categories for race and ethnicity.

The chart on page 6 reflects the profiles of the families on **our Section 8 Waiting List**.

Pages 7 – 10 identify the County's strategies to meet these needs.

### **2. Statement of Financial Resources**

The chart on page 11 identifies all funds received by the Housing Office, and the number of subsidies they support.

Total resources:	\$37,576,104	6239 subsidies
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### **3. Policies for Program Eligibility, Selection and Admissions**

Pages 16 –20 outline Baltimore County's policies. There are no projected changes in these areas.

### **4. Rent Determination Policies**

Pages 23 –24 reflect the County's commitment to provide the maximum subsidy to ensure families have housing opportunities.

### **5. Operations and Management**

The chart on page 23 outlines the specific use of County rent subsidies.

### **6. Grievance Procedures**

There are no planned changes to the existing grievance procedures for program applicants (informal reviews) and program participants (informal hearings). Page 25

### **11. Homeownership**

Pages 31 – 32 identify the County's commitment to facilitating homeownership among our participant families. In addition to our locally designed homeownership initiative, we have committed to the option of a Section 8 Homeownership Program. Funding is the primary factor to be considered in exercising this option.

### **12. Self Sufficiency Programs**

Pages 32 – 33 discuss the unique nature of Baltimore County's integration of the Section 8 Program with the programs and services of the Department of Social Services.

The chart on page 35 identifies the programs coordinated through our Family Self-Sufficiency Program.

### **15. Civil Rights Certifications**

These certifications are required submissions for all federal funding.

### **16. Fiscal Audit**

We have submitted the County's Single Audit Report for the year ending June 30, 2004, which reflects no findings for programs administered by the Housing Office.

## **18. Resident Advisory Board (RAB)**

Page 40 describes the ambitious activities of our Resident Advisory Board during the past year, and their goals for the upcoming year. Comprised of participants in our Family Self-Sufficiency Program, this six-member board has provided a unique perspective on the needs of our program families, and how to better address these.

We are particularly pleased with the RAB's assistance in planning, developing, and presenting our credit repair workshops.

### Out of Reach in Baltimore County

The cost of rental housing in Baltimore County is out of reach for a majority of low-income wage earners and people who are elderly or disabled with public income benefits.

**The Housing Wage in Baltimore County is \$16.29.** This is the amount a full time (40 hours per week) worker must earn per hour to afford a two-bedroom unit at the area's Fair Market Rent.

An **extremely low-income household** (earning \$20,580 / 30% of the Area Median Income of \$68,600) **can afford** monthly rent of no more than **\$515**, while the **Fair Market Rent** for a two- bedroom unit is **\$847**.

An **SSI recipient** (receiving \$564 monthly) can afford monthly rent of no more than **\$169**, while the Fair Market Rent for a one- bedroom unit is **\$709**.

A **single minimum wage earner** (\$5.15 per hour) can afford monthly rent of no more than **\$268**. This same worker must work **127 hours per week** in order to afford a two-bedroom unit at the area's Fair Market Rent.



**Baltimore County, Maryland  
PHA Plan & Consolidated Plan Public Hearing  
Wednesday, May 4, 2005  
6:30 P.M.**

**Drumcastle Government Center  
6401 York Road  
Baltimore, Maryland 21212**

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**Attendees**

Tim Griffith  
Richard Doran  
Brian Sears  
Adam Lumia  
Marilyn Ebaugh  
Elizabeth Glenn  
Lois Cramer  
Sherrill Ruley-Carr  
Jackie Campbell

**Comments**

- Q** What is the status of the court case recently taken before a federal judge about moving families from the City?
- R** Thompson, et al v. HUD, et al resulted in a 1995 consent decree to remedy the federal government's discrimination against black public housing residents in Baltimore City. In January 2005, US District Judge Garbis ruled that HUD violated fair housing laws by failing to take a regional approach to public housing, and instead concentrated the poorest residents within the City's limits. The judge then referred the case to a magistrate for settlement. In April 2005, however, Judge Garbis rescinded that referral, saying not all of the parties were willing to engage in a substantial discussion and that meaningful negotiation toward a settlement had not occurred. This may set the stage for a second trial to decide on court-ordered remedies.
- Q** Who will be receiving CDBG funds?
- R** Baltimore County is proposing to award CDBG funds to support a variety of activities including public service projects, homeless services and programs, housing programs, capital projects, and projects that remove architectural barriers. Sub-recipients include both public and private agencies, and beneficiaries include low-to-moderate income households, individuals, and communities.
- Q** What can the public do to send the message to HUD and federal government that CDBG funds are really critical to our community? Not only am I a representative of the County's Resident Advisory Board (RAB), but I work with families who are directly affected by the CDBG Program and I would like to share this situation with them.
- R** You make an excellent point. You represent an important block of citizens whose voices need to be heard. Especially in this time when funding is not certain, it would be helpful for you and the constituency you represent to communicate your concerns and comments to your elected officials.

We can provide a copy of a newsletter from the National Association of Housing and Redevelopment Agencies that updates current budget and congressional activities. It also provides direction on who and how to communicate with congress.

**Q** How many people are on the waiting list for rent subsidies, and how long is this list?

**R** There are about 10,000 families who are on the County's Housing Choice Voucher Program Applicant Waiting List. We do not anticipate additional funding for new subsidies, so subsidies become available to waiting list families through turnover. Currently, the average wait to reach the top of the waiting list and to be offered an available subsidy is 5 years.

**Q** You stated there is growing population of elderly people in the County. What are you doing to handle this?

**R** The Office of Community Conservation provides incentives to developers of affordable housing to encourage the development of affordable housing for seniors. The incentives include deferred loans, grants, and tax incentives to maintain affordability for a specified period of time. The county ensures long-term affordability through written contracts and agreements. The Office of Community Conservation also provides loans and grants to make repairs, improvements, and modifications to owner-occupied single-family residences to enable elderly folks to age in place.

52% of the County's Housing Choice Voucher Program participants are elderly or disabled. This is the population least likely to apply for our resources, and we continue to focus resources on communicating and enlisting their participation. We coordinate with our partners in local government (the Departments of Social Services, Aging, and Health) and our local service providers (local elderly housing providers, CAN, etc.) to ensure available resources reach this population.

**Q** What is an opportunity area?

**R** The Housing Office promotes the mobility aspect of families' rent subsidies, and we encourage families to consider moves to opportunity areas. These areas are low-poverty census tracts, generally with low-minority and assisted renter populations. HUD defines a low-poverty census tract as one with a poverty rate at or below the overall poverty rate for the principal operating area, or at or below 10%, whichever is greater. The Census Bureau publishes a Census Poverty Rate for each operating area.

**Q** What about Section 8 renters and homeownership?

**R** The Housing Office has assisted 207 families since 1998 to become first-time home buyers. Many of these families participate in our highly successful Family Self-Sufficiency Program, where they create a contract of participation, set goals for economic self-sufficiency and receive ongoing counseling to help increase their earned income, create savings, and then to purchase homes.

## Chapter 6

### INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

#### INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA 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 PHA 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 PHA policies for calculating annual income are found in Part I.
- **Part II: Adjusted Income.** Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.
- **Part III: Calculating Family Share and PHA Subsidy.** This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

## PART I: ANNUAL INCOME

### 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 for Persons with Disabilities (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 plan, 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.

## **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.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

## **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].

### **PHA 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***

#### **PHA Policy**

When someone who has been considered a family member attends school away from home, the person who will attend school away from home and only live with the family during school recesses will be considered permanently absent from the 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].

#### **PHA 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. If the time period is greater than 180 consecutive days from the date of removal of the child/ren, the PHA will remove the children from the family's application, and adjust the subsidy size as appropriate and in accordance with subsidy standards.

### ***Absent Head, Spouse, or Cohead***

#### **PHA Policy**

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

## **Family Members Permanently Confined for Medical Reasons**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

### PHA Policy

The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. If the family presents evidence that the family member is confined on a permanent basis the permanently confined person is no longer a family member.

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

## **Joint Custody of Dependents**

### PHA 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 participant family is 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.

## **Caretakers for a Child**

### PHA Policy

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

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will not be considered a family member for a period of 30 days or until a determination of custody, or legal guardianship is made. After the 30 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm the caretaker's role is temporary. In such cases, the PHA will extend the caretaker's nonpermanent status.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker provided the caretaker meets the eligibility criteria under "other admission" criteria in Chapter Two of this Administrative Plan. The PHA will require the caretaker, as the head of household's representative, to complete a re-examination of family income and composition. Noncompliance by the caretaker will result in the PHA taking action to terminate the family's rental assistance.
- (4) During any period that a caretaker is considered temporary, the income of the caretaker is not counted in annual income and the caretaker, does not qualify the family for any deductions from income.
- (5) If custody is awarded for a limited time, the PHA will state in writing that the transfer of the Voucher is for that limited time or as long as they have custody of the children. The PHA will use discretion as deemed appropriate in determining any further assignation of the Voucher on behalf of the children.
- (6) When the PHA approves a person to reside in the unit as a caretaker for the child/ren and transfers the voucher, the income should be counted. The PHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.



## **C. ANTICIPATING ANNUAL INCOME**

The PHA 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 PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA 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 PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

#### **PHA Policy**

When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA 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 PHA to show why the historic pattern does not represent the family’s anticipated income.

#### ***Known Changes in Income***

If the PHA 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 PHA would calculate annual income as follows:  $(\$6/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$6.25 \times 40 \text{ hours} \times 45 \text{ weeks})$ .

## **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” [VG, p. 7].

HUD allows PHAs to use UIV information in conjunction with family-provided documents to anticipate income [UIV].

### **PHA Policy**

PHA 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 date the PHA issued the annual reexamination packet.

The PHA 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 PHA will follow these guidelines:

If the UIV figure is less than the family’s figure, the PHA will use the family’s information.

If the UIV figure is more than the family’s figure, the PHA 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 PHA 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 PHA will follow these guidelines:

The PHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

When the PHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the PHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The PHA will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

The PHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

## **D. EARNED INCOME**

### **Types of Earned Income Included in Annual Income**

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

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

### **Types of Earned Income Not Counted in Annual Income**

***Temporary, Nonrecurring, or Sporadic Income*** [24 CFR 5.609(c)(9)]. Sporadic income is income that is not received 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. Such income is not counted.

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

***Certain Earned Income of Full-Time Students.*** Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or 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.*** Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

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

***Resident Service Stipend.*** Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA 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 PHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.609(c)(8)(iv)].

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

#### PHA Policy

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

The PHA 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 PHA 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 PHA's interim reporting requirements.

***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.

PHA 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 for persons with disabilities is discussed in section 6-I.E below.

## **E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES** **[24 CFR 5.617]**

The earned income disallowance (EID) encourages people with disabilities 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 5.617 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 HCV 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 is a person with disabilities and 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 who is a person with disabilities and 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 is a person with disabilities and 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.

## **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

### **PHA Policy**

The PHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

***Initial 12-Month Exclusion.*** During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

### **PHA Policy**

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

***Second 12-Month Exclusion and Phase-In.*** During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

***Lifetime Limitation.*** The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.



## **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].

#### **PHA Policy**

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

### **Business Expansion**

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

#### **PHA Policy**

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

### **Capital Indebtedness**

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

#### **PHA 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 PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

### **Negative Business Income**

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

### **Withdrawal of Cash or Assets from a Business**

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

#### PHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA 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**

#### PHA 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.

## **G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA 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 PHA 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 6-4 provides the regulatory definition of *net family assets* as well as a chart from the *HCV Guidebook* that summarizes asset inclusions and exclusions. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

### **General Policies**

#### ***Income from Assets***

The PHA 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 PHA 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 PHA 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 PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### **PHA Policy**

Anytime 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 PHA 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 PHA to make a distinction between an asset’s market value and its cash value.

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

### ***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 PHA 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 PHA 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 PHA 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.”

#### **PHA Policy**

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA 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 PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA 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 PHA 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 *HVC Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

#### **PHA Policy**

The PHA 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. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

### *Separation or Divorce*

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

#### PHA 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*

#### PHA 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 PHA may verify the value of the assets disposed of if other information available to the PHA 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.

#### **PHA Policy**

In determining the value of a checking account, the PHA will use the current balance.

In determining the value of a savings account, the PHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the PHA 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.

#### **PHA Policy**

In determining the market value of an investment account, the PHA 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 PHA 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].

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)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- 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.

#### **PHA 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.



## ***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 PHA 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].

#### PHA Policy

In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. However, the PHA 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)].

#### PHA 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.

## **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)].

#### **PHA Policy**

To determine the amount of tenant rent the family owes as result of the lump sum receipt, the PHA uses a calculation method that calculates retroactively or prospectively depending on the circumstances.

#### **Prospective Calculation Methodology**

When a delayed-start payment is received and reported at the next annual reexamination, the PHA will adjust the family share and PHA subsidy prospectively.

The entire lump-sum payment will be added to the annual income at the time of the annual reexamination.

#### **Retroactive Calculation Methodology**

The PHA will calculate retroactively if the receipt was not reported at any reexamination.

The PHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the PHA.

At the PHA's option, the PHA may enter into a Payment Agreement with the family.

The amount owed by the family is a collective debt even if the family becomes unassisted.

## **Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]

### PHA Policy

The PHA 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)].

## **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.)

## **J. WELFARE ASSISTANCE**

### **Overview**

Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program. The amount of Welfare assistance income to be included as income shall consist of the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities.

### **Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]**

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

### **Covered Families**

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

### **Imputed Income**

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency inform the PHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

### **Offsets**

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

## **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 an assisted family.

### **Alimony and Child Support**

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

#### PHA Policy

The PHA will count court-awarded amounts for alimony and child support unless the PHA 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].

If the support is not received on regular basis and the family has made reasonable efforts to collect amounts due, the family must submit documentation from the appropriate agency certifying payments made on behalf of the family over the last twelve months. The PHA will use this annual amount to anticipate income from support, unless the PHA receives evidence that no support can be projected over the next twelve months.

It is the family's responsibility to supply a certified copy of the court ordered support decree.

### **Regular Contributions or Gifts**

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

#### PHA 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 PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.

## **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 *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)

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## **PART II: ADJUSTED INCOME**

### **A. INTRODUCTION**

#### **Overview**

HUD regulations require PHAs 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 [PHA] 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.

#### **Anticipating Expenses**

##### PHA Policy

Generally, the PHA 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 PHA 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 PHA 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 PHA may require the family to provide documentation of payments made in the preceding year.

## **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)].

### **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].

**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.”

PHA Policy

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

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

## **Families That Qualify for Both Medical and Disability Assistance Expenses**

### PHA 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 PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

**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.

**PHA 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 PHA 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 PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.



## **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, 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 PHAs to further define and describe auxiliary apparatus [VG, p. 30].

## **Eligible Auxiliary Apparatus**

### PHA 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.

### PHA 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 PHA 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 assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

### **Necessary and Reasonable Expenses**

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

#### **PHA Policy**

The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

#### **PHA Policy**

This policy applies only to families in which the head or spouse 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 PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

## **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.”

### **Clarifying the Meaning of *Child* for This Deduction**

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in 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 [HCV GB, p. 5-29].

### **Qualifying for the Deduction**

#### **Determining Who Is Enabled to Pursue an Eligible Activity**

##### PHA 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 PHA 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**

##### PHA 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 PHA.

### **Furthering Education**

#### PHA 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**

#### PHA 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 with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

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

### **PHA 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 PHA 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 assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

## **Allowable Child Care Activities**

### **PHA 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 PHA 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.

#### **PHA 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 PHA will use the schedule of child care costs from the local welfare agency. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

## **PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY**

### **A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS**

#### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted 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 PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

#### **Welfare Rent [24 CFR 5.628]**

##### PHA Policy

Welfare rent does not apply in this locality.

#### **Minimum Rent [24 CFR 5.630]**

##### PHA Policy

The minimum rent for this locality is \$0.

#### **Family Share [24 CFR 982.305(a)(5)]**

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)



**PHA Subsidy [24 CFR 982.505(b)]**

The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6C.)

**Utility Reimbursement [24 CFR 982.514(b)]**

When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

**PHA Policy**

Where the calculation on the HUD 50057 results in a utility reimbursement payment due the family, the PHA will provide a utility reimbursement payment for the family each month. The check will be made out directly to the utility company.

## **B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

### PHA Policy

The financial hardship rules described below do not apply in this jurisdiction because the PHA has established a minimum rent of \$0.

### **Overview**

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

**Implementation of Hardship Exemption**

**Determination of Hardship**

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

The PHA then determines whether the financial hardship exists and whether the hardship is temporary (expected to last 90 days or less) or long-term.

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

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

**No Financial Hardship**

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

PHA Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA’s notice that a hardship exemption has not been granted.

**Temporary Hardship**

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family’s request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

### **Long-Term Hardship**

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

## **C. APPLYING PAYMENT STANDARDS [24 CFR 982.505]**

### **Overview**

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

*Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the PHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

### **Changes in Payment Standards**

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

#### **Decreases**

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. The PHA will determine the payment standard for the family as follows:

**Step 1:** At the first regular reexamination following the decrease in the payment standard, the PHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

**Step 2:** The PHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by the PHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. The PHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

**Step 3:** At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless the PHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

### **Increases**

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

### **Changes in Family Unit Size**

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family within the basic range.

HUD Field Offices, on a case-by case basis, may grant exception Payment Standards for up to 120% of the Fair Market Rents to ensure that a family with a person with disabilities can rent a unit that meets the disabled person's needs specific to the disability.

#### **PHA Policy**

For disabled families where the rent requested is reasonable, but the PHA cannot approve the Request for Tenancy Approval because the family would be rent burdened (i.e. paying more than 40%), the PHA will determine if increasing the Payment Standard to 120% will allow the family to meet HUD requirements.

If adjusting the Payment Standard to 120% of the FMR will allow the PHA to approve the RTA, the PHA will require the family to document that the accessibility of the unit is required to accommodate the person's disability and submit a written request for an exception to the Payment Standards.

The PHA will forward the following documentation to the Field Office for approval:

- A copy of the Request for Tenancy Approval
- Rent Reasonableness documentation
- Payment Standard percentage needed to approve the rent
- Written request from the family
- Medical documentation
- Inspection report, if applicable

## **D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]**

### **Overview**

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using PHA subsidy standards. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

### **Reasonable Accommodation**

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

### **Utility Allowance Revisions**

At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].

#### **PHA Policy**

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

#### **E. PRORATED ASSISTANCE 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 PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.





## 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<sup>1</sup>; and

(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.

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<sup>1</sup> Text of 45 CFR 260.31 follows.

- (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 PHA 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 PHA'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 PHAs 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
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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).

## 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, PHAs 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: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES**

**24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.**

*(a) Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

*(b) Definitions.* The following definitions apply for purposes of this section.

*Disallowance.* Exclusion from annual income.

*Previously unemployed* includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

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

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

*(c) Disallowance of increase in annual income—*

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

*(d) Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

## EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

### 24 CFR 5.615

#### **Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

*(b) Definitions.* The following definitions apply for purposes of this section:

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the

basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

*(e) PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

## **Chapter 7**

### **VERIFICATION**

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230]

#### **INTRODUCTION**

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

## **PART I. GENERAL VERIFICATION REQUIREMENTS**

### **A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]**

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551].

#### **Consent Forms**

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). 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 PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## **B. OVERVIEW OF VERIFICATION REQUIREMENTS**

### **HUD's Verification Hierarchy**

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification. In order of priority, the forms of verification that may be used 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 notice that provides guidance with respect to how each method may be used.

### **Requirements for Acceptable Documents**

#### **PHA Policy**

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the PHA. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed in the presence of a PHA representative or PHA notary public.

### **File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

### **C. UP-FRONT INCOME VERIFICATION (UIV)**

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

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

#### **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 website, April 2004], HUD recommends using \$200 per month as the threshold for a substantial difference. The PHA will therefore use \$200 per month as the threshold for a substantial difference.

See Chapter 6 for the PHA's policy on the use of UIV to project annual income and for the PHA'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**

When there is a substantial difference between the information provided by the UIV source and the family, the PHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).



## **D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

### **Reasonable Effort and Timing**

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

#### **PHA Policy**

The PHA 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 PHA will mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PHA will send a written request for verification to each required income sources at approximately 120 (at the same time the annual re-examination packet is mailed to the family) days prior to the family's annual recertification date along with a copy of the family's most recent authorization for the release of the information.

The PHA will obtain oral third party verification when written verifications are incomplete, questionable or discrepancies exist. A record of each contact with the third-party source will be documented in the file. Regarding third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation, the telephone number used, and the facts provided.

The PHA will only accept independent third-party written verifications and PHA contracted oral third-party verifications.

### **When Third-Party Information is Late**

When third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the information from documents on a provisional basis. If the PHA 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 PHA will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of the PHA'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 PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

#### **PHA Policy**

The PHA 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 PHA 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 PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information. Another example would be where the Social Security Administration (SSA) has refused to respond to requests for third-party verification.

#### **PHA Policy**

The PHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## **E. REVIEW OF DOCUMENTS**

### **Using Review of Documents as Verification**

If the PHA has determined that third-party verification is not available or not required, the PHA will use documents provided by the family as verification.

The PHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PHA will document in the file how the PHA arrived at a final conclusion about the income or expense to include in its calculations.

## **F. SELF-CERTIFICATION**

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

### PHA Policy

The PHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.

## PART II. VERIFYING FAMILY INFORMATION

### A. VERIFICATION OF LEGAL IDENTITY

#### PHA Policy

The PHA will require families to furnish verification of legal identity for each household member.

<b>Verification of Legal Identity for Adults</b>	<b>Verification of Legal Identity for Children</b>
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	School records
U.S. military discharge (DD 214)	Hospital records
U.S. passport	

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA'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 PHA and be signed in the presence of a PHA representative or PHA notary public.

Legal identity will be verified on an as needed basis.

**B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV GB, 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.

PHA Policy

The PHA will also accept the following documents as evidence if the SSN is provided on the document:

Social Security benefit award letter

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)

IRS-1099 form

IRS W-2 form

If the family reports an SSN but cannot provide acceptable documentation of the number, the PHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The PHA 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.

PHA Policy

The PHA 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 PHA 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.

### **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.

#### **PHA Policy**

If an official record of birth or evidence of social security retirement benefits cannot be provided, the PHA 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.



## **D. FAMILY RELATIONSHIPS**

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

### **PHA 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**

### **PHA Policy**

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA 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**

### **PHA Policy**

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a separation or divorce, the PHA 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**

### PHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent from the household, the family must provide evidence to support that the person is no longer a member of the family.

The PHA will consider the following forms of verification:

- Proof of another residence, such as a lease or utility bill
- Statements from other government agencies such as Social Services or the Social Security Administration
- Motor Vehicle Administration records
- Employment pay stubs or employment records
- Internal Revenue forms W-2 or 1099
- Order of protection/restraining order
- Court documents verifying incarceration

## **Foster Children and Foster Adults**

### PHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

**E. VERIFICATION OF STUDENT STATUS**

PHA Policy

The PHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

## **F. DOCUMENTATION OF DISABILITY**

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a 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](http://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**

The PHA will attempt to obtain current information about disability benefits through the HUD UIV System (when available), or HUD's Tenant Assessment Subsystem (TASS). If the HUD UIV System or TASS is not available, the PHA will ask the family to request a benefit verification letter directly from Social Security and allow the family to provide an original SSA document to confirm the current 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.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

### **Family Members Not Receiving SSA Disability Benefits**

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.

## **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. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

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

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

#### **PHA Policy**

Family members who claim U.S. 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 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.

### **PHA Verification** [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

## **H. VERIFICATION OF PREFERENCE STATUS**

The PHA must verify any preferences claimed by an applicant.

### **PHA Policy**

Residency Preference: For families who live, work or have been hired to work in the jurisdiction of the PHA.

In order to verify that an applicant is a resident, the PHA will require one of the following documents:

- Lease or rental agreement; or
- Current utility bill; or
- Statement from the applicant's employer on business letterhead documenting applicant's Baltimore County residence.
- For families who have been hired to work in the jurisdiction of the PHA, a statement from the employer is required.



### **PART III. VERIFYING INCOME AND ASSETS**

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

**A. EARNED INCOME**

**Tips**

PHA 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.

## **B. BUSINESS AND SELF EMPLOYMENT INCOME**

### PHA Policy

Business owners and self-employed persons will be required to provide:

All schedules completed for filing federal and local taxes in the preceding year.

The PHA will use and provide a copy of the IRS Self-Employment form 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 re-examinations.

At any re-examination, the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than twelve (12) months, the PHA will annualize the family member's income for the period of time they received income from self-employment.

## **C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

### **Social Security/SSI Benefits**

#### PHA Policy

To verify the SS/SSI benefits of applicants, the PHA 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 PHA 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](http://www.ssa.gov). Once the applicant has received the benefit verification letter they will be required to provide it to the PHA.

To verify the SS/SSI benefits of participants, the PHA will obtain information about social security/SSI benefits through the HUD UIV System or the Tenant Assessment Subsystem (TASS). If benefit information is not available in HUD systems, the PHA 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 PHA 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](http://www.ssa.gov). Once the participant has received the benefit verification letter they will be required to provide it to the PHA.

## **D. ALIMONY OR CHILD SUPPORT**

### PHA Policy

The way the PHA 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 PHA 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

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.

## **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 PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

#### **PHA Policy**

The PHA will verify the value of assets disposed of only if:

The PHA 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 PHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The PHA 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 PHA will verify the value of this asset.

## **F. NET INCOME FROM RENTAL PROPERTY**

### PHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **G. RETIREMENT ACCOUNTS**

### PHA 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 PHA 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 PHA 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 PHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.



## **H. INCOME FROM EXCLUDED SOURCES**

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The PHA must obtain verification for income exclusions only if, without verification, the PHA 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 PHA will confirm that PHA 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.

### **PHA Policy**

The PHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, the PHA will report the amount to be excluded as indicated on documents provided by the family.

**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**

### **A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS**

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

#### **Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

#### **Elderly/Disabled Family Deduction**

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

## **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**

#### **PHA Policy**

The PHA 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 PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

In addition, the PHA 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 PHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

### **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 PHA'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.

#### **PHA 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**

#### **PHA Policy**

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

## **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**

##### **PHA Policy**

The PHA 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**

##### **PHA 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

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in F).
- The expense permits a family member, or members, to work (as described in 6 E.).
- The expense is not reimbursed from another source (as described in 6 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 PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

### **Family Member(s) Permitted to Work**

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

#### **PHA Policy**

The PHA 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.).

### **Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

#### **PHA 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.

## **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 of this chapter. In addition, the PHA 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 PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

### **Unreimbursed Expense**

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

#### **PHA 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.



## **Pursuing an Eligible Activity**

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

### PHA Policy

#### *Information to be Gathered*

The PHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

#### *Seeking Work*

Whenever possible the PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the PHA any reports provided to the other agency.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

#### *Furthering Education*

The PHA will 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 PHA 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.

#### **PHA Policy**

The PHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6 F).

The PHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The PHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

### **Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

#### **PHA Policy**

The actual costs the family incurs will be compared with the PHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: EXCERPT FROM HUD VERIFICATION GUIDANCE  
NOTICE (PIH 2004-01, pp. 11-14)**

<b>Upfront (U IV)</b>	<b>Highest (Highly Recommended, highest level of third party verification)</b>
<b>Written 3<sup>rd</sup> Party</b>	<b>High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)</b>
<b>Oral 3<sup>rd</sup> Party</b>	<b>Medium (Mandatory if written third party verification is not available)</b>
<b>Document Review</b>	<b>Medium-Low (Use on provisional basis)</b>
<b>Tenant Declaration</b>	<b>Low (Use as a last resort)</b>

Income Type	Upfront (LEVEL 5)	Written Third Party (LEVEL 4)	Oral Third Party (LEVEL 3)	Document Review (LEVEL 2)	Tenant Declaration (LEVEL 1)
Wages/Salaries	<p>Use of computer matching agencies with State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax, or in person.</p> <p>Agreements with private vendor agencies such as The Work Number or Chronos, etc. to obtain wage and salary information.</p> <p>Use of HUD systems when available.</p>	<p>The PTA may fax or e-mail a verification form directly to the independent sources to obtain wage information.</p> <p>The PTA may have the tenant sign a Request for Family Statement from the SSA to confirm past earnings. The PTA marks the form to SSA and the statement will be sent to the address the PTA specifies on the form.</p>	<p>In the event the independent source does not respond to the PTA's written request for information, the PTA may contact the independent source by phone or mail or in person visit to obtain the requested information.</p>	<p>When neither form of third party verification can be obtained, the PTA may accept original documents such as consecutive pay stubs (HUD recommends the PTA 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 PTA must document in the tenant file the reason third party verification was not available.</p>	<p>The PTA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. Note: The PTA must document in the tenant file the reason third party verification was not available.</p>
<p><b>Verification of Employment Income:</b> The PTA should always obtain as much information as possible about the employment, such as start date from employer, termination date (previous employer), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses or overtime, company name, address and telephone number, name and position of the person contacting the employment verification form.</p> <p><b>Effective Date of Employment:</b> The PTA should always confirm start and termination dates of employment.</p>					

Income Type	Uplift	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 PITA may or may not receive a verification form directly or indirectly certified by the family to contain accurate information.	The PITA may call the tenant to obtain required information.	The PITA may accept any documents (i.e. tax returns, IRS tax and letters from customers) provided by the tenant to verify self-employment income. <b>Note:</b> The PITA may document in the tenant file, the reason third party verification was not obtained.	The PITA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. <b>Note:</b> The PITA must document in the tenant file, the reason third party verification was not available.
<p><b>Verification of Self-Employment Income:</b> Typically, it is a challenge for PITAs to obtain third party verification of self-employment income. When third party verification is not available, the PITA should always request a notarized tenant declaration that includes a jurat statement.</p>					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy report.	The PITA may or may not receive a verification form directly or indirectly from the local SSA office to obtain social security benefit information. <b>(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PITAs to use TASS.)</b>	The PITA may call SSA with the tenant or the tenant to obtain current benefit amount. <b>(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PITAs to use TASS.)</b>	The PITA may accept an original SSA Notice from the tenant. <b>Note:</b> The PITA must document in the tenant file, the reason third party verification was not available.	The PITA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. <b>Note:</b> The PITA 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 PITA may in fact, or receive a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PITA may call the local Social Services Agency to obtain current benefit amount.	The PITA may review an original award notice or printout from the local Social Services Agency provided by the tenant. <b>Note:</b> The PITA must document in the tenant file, the reason third party verification was not available.	The PITA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. <b>Note:</b> The PITA must document in the tenant file, the reason third party verification was not available.

Income Type	Uplift	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 amount due / support amount sent 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 agency 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 priortax from the local Child Support Enforcement Agency provided by the tenant or tenant's 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 State Wage Information Collection Agency to obtain unemployment compensation electronically by mail or fax or in person.	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 benefit 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.
	Use of HUD systems, when available.				
Pension	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 vendors to determine and assess financial information algorithmically by mail or fax to a person.	The PHA mails, faxes, or sends a verification form directly to the source to obtain asset and/or 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 notarized statements or affidavits from the tenant that declare assets and asset income. Note: The PHA must document in the tenant file, the reason third party verification was not available.
Consumers	Whenever PITA makes a welfare wage, unemployment, and SSA determination, the PHA should use the information as part of the reexamination process. There may be some results that allow for a surging RMI review.	<b>Note:</b> The Independent source completes the form and returns the form directly to the PITA Agency. The source 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 had no success. Notarized statement should include a perjury penalty statement.
<b>Note:</b> The PHA must not pass verification costs along to the participant.					
<b>Note:</b> 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]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - “Admitted as a Refugee Pursuant to Section 207”
  - “Section 208” or “Asylum”
  - “Section 243(h)” or “Deportation stayed by Attorney General”
  - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

- Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

## Chapter 8

### VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

#### **INTRODUCTION**

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



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

When funding is available, the PHA will issue vouchers to applicants whose eligibility has been determined. The number of vouchers issued must ensure that the PHA stays as close as possible to 100 percent lease-up. The PHA performs a monthly calculation electronically to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent the PHA can over-issue (issue more vouchers than the budget allows to achieve leaseup).

The PHA may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers which are over-issued must be honored. If the PHA finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

**B. BRIEFING TYPES AND REQUIRED ATTENDANCE** [24 CFR 982.301]

**Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be generally conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to the briefer.

Briefings will be conducted in English.

Upon request by the family or designated representation, the Housing Office will conduct briefing to accommodate special needs of the family.

The purpose of the briefing is to explain how the program works and to review the documents in the voucher holder's packet. At the briefing families are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The PHA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend scheduled briefings, without prior notification and approval of the PHA, may be denied admission based on failure to supply information needed for certification. The PHA will conduct individual briefings for families with disabilities at a location other than the Housing Office, upon request by the family, if required for reasonable accommodation.

**Briefing Packet** [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. The PHA also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials

The term of the voucher, and the PHA policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family; how the PHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule. How the PHA determines the maximum allowable rent for an assisted unit. [including the rent reasonableness standard].

Where the family may lease a unit. For the family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.

A list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability.

The HUD required tenancy addendum, which must be included in the lease.

The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.

A statement of the PHA policy on providing information about families to prospective owners.

The PHA Subsidy Standards, including when and how exceptions are made and how the voucher size relates to the unit size selected.

The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.

The HUD pamphlet on lead-based paint entitled *Protect Your Family From Lead in Your Home*, and information about where blood level testing is available.

Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines and the phone numbers of the local fair housing agency and the HUD enforcement office.

A list of landlords willing to lease to assisted families and/or known units available for the voucher issued. The list includes landlords who are willing to lease units or help families find units outside areas of poverty or minority concentration.

If the family includes a person with disabilities, notice that the PHA will provide assistance in locating accessible units and a list of available accessible units known to the PHA.

The family obligations under the program, including any obligations of a family participating in the welfare to work voucher program.

The grounds the PHA uses to terminate assistance for a participant family because of family action or failure to act.

PHA informal hearing procedures, including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

A map of opportunity areas without concentrations of poverty or minorities.

A list of properties or property management organizations that own or operate housing units outside areas of poverty or minority concentration.

A Good Tenant's Guide, an HQS checklist and a sample contract.

The family's rights as a tenant and a program participant.

Requirements for reporting changes between annual recertifications.

Information on legal referral services.

Information on exercising choice in residency.

Choosing a unit carefully and only after due consideration.

The Family Self Sufficiency program and its advantages.

If the family includes a person with disabilities, the PHA will ensure compliance with CFR 8.6 to ensure effective communication.

### **Moving Briefing for Current Participants**

A moving briefing will be scheduled for participants who either have given notice of intent to vacate to their landlord; or received a landlord notice of non-renewal or termination of lease for a breach. Participants will be reissued a current voucher to relocate with continued assistance.

Current participants porting into Baltimore County and porting out of Baltimore County are included in the moving briefings

### **Owner Briefing**

Briefings are conducted for owners as needed.

The purpose of the briefing is to assure successful owner participation in the program. Prospective owners are welcome. The briefing covers the responsibilities and roles of the three parties.

### **Signature Briefing**

All new owners will receive a personal invitation to attend a signature briefing with the family head to execute contracts and leases. The Housing Office will provide details on the program rules and relationships and responsibilities of all parties.

Signature briefings will be conducted for other owners by request.

The Housing Office may require an owner to attend a signature briefing to reduce future conflict between the owner and tenant.

**C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION**

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The PHA has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

The PHA has maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The PHA will make appropriate referrals to voucher holders experiencing difficulties locating or obtaining housing units outside areas of concentrations to assist in their search

**D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION**

The PHA will give participants a copy of HUD Form 903 to file a complaint.

**E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313]

The owner is not required to, but may collect a security deposit from the tenant.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the following conditions:

Security deposits charged by owners may not exceed those charged to unassisted tenants, nor the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.



## **F. TERM OF VOUCHER** [24 CFR 982.303, 982.54(d)(11)]

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

### **Expirations**

The voucher is valid for a period of 60 days from the date of issuance. The family must submit a Request for Approval of the Tenancy and Lease within the 60-day period unless an extension has been granted by the PHA.

If the voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

### **Suspensions**

When a Request for Approval of Tenancy is received, the PHA will not deduct the number of days required to process the request from the term of the voucher.

### **Extensions**

Families in one of the following categories are eligible for a maximum of 60 additional days on the term of their voucher:

- A family that includes a person with disabilities
- Hard-to-house families (family with three or more minor children)
- Elderly families
- Families with documented extenuating circumstances (hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial sixty day period).

Written requests for an extension of the voucher term must be received by the PHA prior to the expiration date of the voucher.

Extensions based on the above are permissible at the discretion of the PHA.

### **Other jurisdictions**

Families who port in to Baltimore County from another jurisdiction will not be given an extension. Baltimore County will review the expiration date of the subsidy bearing in mind the billing deadline provided by the initial PHA. If the voucher expiration date does not leave sufficient time to process a Request for Tenancy Approval, execute a HAP contract, and cover the anticipated delivery time of the billing information, the family will be ported back to the other jurisdiction.

### **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the listing of available units and how the updated list may be obtained.

The PHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

**G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS** [24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the PHA shall consider the following factors to determine which of the family units will continue to be assisted:

- Which of the two new family units has custody of dependent children.
- Which family member was the head of household when the voucher was initially issued (listed on the initial application).
- The composition of the new family units, and which unit contains elderly or disabled members.
- Whether documented domestic violence was involved in the breakup.
- Which family members remain in the unit.
- Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

**H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER**

[24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member, the PHA has to verify that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

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

Reserved

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## **Chapter 11**

### **OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS**

[24 CFR 982.505, 982.503, 982.504, 982.505]]

#### **INTRODUCTION**

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Section 8 Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the “merger date”. These amendments complete the merging of the Section 8 Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

In accordance with the regulations, for those Section 8 participant families where there is a HAP Contract in effect entered into prior to October 1, 1999, the PHA will continue to uphold the rent calculation methods of the premerger Regular Certificate, and Voucher tenancies until the 2<sup>nd</sup> regular reexamination of family income and composition following the “merger date”. However, all new leases, moves and new admissions taking effect on or after October 1, 1999 will be subject to the regulations of the new Housing Choice Voucher Program.

The PHA will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is the PHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparables in the rental market, using the criteria specified in 24 CFR 982.507(b).

This Chapter explains the PHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

**A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM**

The Rent to Owner is limited only by rent reasonableness. The PHA must demonstrate that the Rent to Owner is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, the family share may not exceed 40 percent of the family's monthly-adjusted income.

During the initial term of the lease, the owner may not raise the rent to owner.

**B. MAKING PAYMENTS TO OWNERS** [24 CFR 982.451]

Once the HAP Contract is executed, the PHA begins processing payments to the landlord. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Checks are disbursed to the owner on the first of each month. Checks will only be disbursed on the first of the month. Exceptions may be made with the approval of a supervisor in cases of hardship. Checks may be picked up by the owner.

Checks that are not received will not be replaced until a written request has been received from the payee and a stop payment has been put on the check.

**Excess Payments**

The total of rent paid by the tenant plus the PHA housing assistance payment to the owner may not be more than the rent to owner. The owner must immediately return any excess payment to the PHA.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to the PHA" chapter of this Administrative Plan.

**Late Payments to Owners**

The PHA will pay a late fee to the owner for housing assistance payments that are not mailed to the owner on the first day of the month, if requested by the owner.

Proof of "Mailed to" date will be the:

date the HAP Register was run

The PHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond the PHA's control, such as a delay in the receipt of program funds from HUD. The PHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

The PHA will not use any program funds for the payment of late fee penalties to the owner.



**C. RENT REASONABLENESS DETERMINATIONS** [24 CFR 982.507]

The PHA will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

The PHA will not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent. The PHA must redetermine the reasonable rent before any increase in the rent to owner, and if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

The PHA must re-determine rent reasonableness if directed by HUD and based on a need identified by the PHA's auditing system. The PHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by the PHA

The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

If requested, the owner must give the PHA information on rents charged by the owner for other units in the premises or elsewhere.

The data for other unassisted units will be gathered from newspapers, Realtors, professional associations, inquiries of owners, market surveys, and other available sources.

The market areas for rent reasonableness are zip within the PHA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

Size (number of Bedrooms/square footage)

Location

Quality

Amenities (bathrooms, dishwasher, air conditioning, etc.)

Housing Services

Age of unit

Unit Type

Maintenance

Utilities

## **Rent Reasonableness Methodology**

The PHA utilizes a rent reasonableness system which includes and defines the HUD factors listed above. The system has a total point count which is divided into rating categories.

The PHA maintains an automated database which includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than six months old

**D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM** [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at the PHA's discretion, the Voucher Payment Standard amount is set by the PHA between 90 percent and 110 percent of the HUD published FMR. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

The PHA will establish a single voucher payment standard amount for each FMR area in the PHA jurisdiction. For each FMR area, the PHA will establish payment standard amounts for each "unit size". The PHA may have a higher payment standard within the PHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90-110% of FMR range.

The PHA will give a payment at 110% of the Payment Standard, as a reasonable accommodation for a family that includes a person with disabilities.

**E. ADJUSTMENTS TO PAYMENT STANDARDS** [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. The PHA will not raise Payment Standards solely to make "high end" units available to Voucher holders. The PHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

**Assisted Families' Rent Burdens**

The PHA will review its voucher payment standard amounts at least annually to determine whether more than 40 percent of families in a particular unit size are paying more than 30% of their annual adjusted income for rent.

If it is determined that particular unit sizes in the PHA's jurisdiction have payment standard amounts that are creating rent burdens for families, the PHA will modify its payment standards for those particular unit sizes.

The PHA will increase its payment standard within the basic range for those particular unit sizes to help reduce the percentage of annual income that participant families in the PHA's jurisdiction are paying.

The PHA will establish a separate voucher payment standard, within the basic range, for designated parts its jurisdiction if it determines that a higher payment standard is needed in these designated areas to provide families with quality housing choices and to give families an opportunity to move outside areas of high poverty and low income.

### **Quality of Units Selected**

The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

### **PHA Decision Point**

The PHA will review the average percent of income that families on the program are paying for rent. If more than 40% of families are paying more than 30% of monthly adjusted income for a particular unit size, the PHA will determine whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HQS and any additional standards added by the PHA in this Administrative Plan.

If families are paying more than 30% of their income for rent due to the selection of larger bedroom size units or luxury units, the PHA may decline to increase the payment standard. [If these are not the primary factors for families paying higher rents, the PHA will continue increasing the payment standard.]

### **Rent to Owner Increases**

The PHA may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

### **Time to Locate Housing**

The PHA may consider the average time period for families to lease up under the Voucher program. If voucher holders are unable to locate suitable housing within the term of the voucher and the PHA determines that this is due to rents in the jurisdiction being unaffordable for families even with the presence of a voucher the Payment Standard may be adjusted.

### **Lowering of the Payment Standard**

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below 90 percent of the FMR without authorization from HUD.

### **Financial Feasibility**

Before increasing the Payment Standard, the PHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the PHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

### **File Documentation**

A file will be retained by the PHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

## **F. EXCEPTION PAYMENT STANDARDS**

HUD rescinded the Field Office authority for additional renewals of exception payment standards. The formula allows for some increased standards for unit sizes located in some of the 110%, 115%, and 120% exception rent areas.

The HUD Field Office Public Housing Director can approve exception payment standards between 110 percent and 120 percent of the FMR as a reasonable accommodation. Headquarters must approve any exception payment standard higher and 120 percent of the FMR.

**G. OWNER PAYMENT IN THE PREMERGER REGULAR CERTIFICATE PROGRAM** [24 CFR 982.502(d), 982.519, 982.520]

The HUD regulations relating to owner rent adjustments applicable to the Regular Tenancy Program will be used until the HAP Contract is no longer effective which will be no later than the second regular reexamination of the family after the merger date. Here is where we insert information about the Rent Adjustments for these contracts.

The PHA will notify owners of their right to request a rent adjustment.

Owners must request the rent increase in writing.

The approval or disapproval decision regarding the adjustment will be based on HUD-required calculations and a rent reasonableness determination. The adjustment may be an increase or a decrease.

The notice of rent change does not affect the automatic renewal of the lease and does not require a new lease or contract or even an executed amendment.

For terminations of Premerger Regular Certificate HAPS, see "Contract Terminations" chapter

To receive an increase resulting from the annual adjustment for an annual anniversary date, the owner must request the increase at least sixty days before the next annual anniversary date.

The rent to owner for a unit will not be increase at the annual anniversary date unless, during the year before the anniversary date, the owner has complied with all requirements of the HAP contract, including compliance with HQS.





## **Chapter 12**

### **RECERTIFICATIONS**

[24 CFR 982.516]

#### **INTRODUCTION**

In accordance with HUD requirements, the PHA will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. This Chapter defines the PHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

**A. ANNUAL ACTIVITIES** [24 CFR 982.516, 982.405]

There are three activities the PHA must conduct on an annual basis.

Recertification of income and family composition

HQS inspection

Rent to owner adjustment (following HUD requirements)

The PHA produces a monthly listing of units under contract to ensure that timely reviews of rent to owner, housing quality, and factors related to total tenant payment/family share can be made. Requests for rent adjustments and other monetary changes will be transmitted to the Leasing Services Unit.

Reexamination of the family's income and composition must be conducted at least annually.

Annual inspections: See "Housing Quality Standards and Inspections" chapter.

Rent adjustments: See "Owner Rents, Rent Reasonableness and Payment Standards" chapter.

**B. ANNUAL RECERTIFICATION/REEXAMINATION** [24 CFR 982.516]

Families are required to be recertified at least annually.

**Pre-Merger Reexamination Issues**

For all pre-merger certificate tenancies the rent calculation methods will not change until the effective date of the second regular reexamination of family income and composition, following the merger date, unless the family moves or accepts a new lease from the owner.

All pre-merger voucher tenancies shall be considered and treated as voucher tenancies and will be subject to the voucher program requirements under 24 CFR 982.502, including housing assistance payments calculation at 982.505.

**Moves Between Reexaminations**

When families move to another dwelling unit:

An update recertification will be scheduled (unless a recertification has occurred in the last 120 days) and the anniversary date will be changed.

Income limits are not used as a test for continued eligibility at recertification.

### **Reexamination Notice to the Family**

The PHA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

**Collection of Information** [24 CFR 982.516(f)]

**Recertification Packet**

The PHA will require the head of household to complete the update recertification form included in the Recertification Packet.

All adult family members must sign the following forms which are include in the recertification packet:

HUD 9886 Release of Information/Privacy Act Form

Acknowledgement of Responsibility Form

Baltimore County Authorization Form

All adult family members who are declaring no source of income must, also, complete and sign a self-declaration of income form.

**Failure to Return the Recertification Packet**

The written notice enclosed with the recertification packet will state the due date for returning the completed packet and the consequences for failing to comply.

If the family does not return the packet by the due date, the PHA will mail a second packet.

If the family fails to return the second packet, the PHA will send the family notices of termination and offer them an informal hearing.

Exceptions to these policies may be made by the supervisor if the family is able to document an emergency or life threatening situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

**Persons with Disabilities**

Persons with disabilities who are unable to come to the PHA's office will be granted an accommodation by conducting the interview at the person's home, upon verification that the accommodation requested meets the need presented by the disability.

## **Face-to-Face Interviews**

The PHA will require the family to complete a Personal Declaration Form prior to all face-to-face re-examination interviews.

All adult family members will be required to attend a re-examination interview.

The written notice enclosed with the recertification packet will state that all adult family members are required to attend the interview, the scheduled date and time of the appointment and the consequences for failing to comply.

If the family does not appear for the recertification interview, and has not called to reschedule, the PHA will automatically reschedule a second appointment.

If the family fails to keep the second appointment, the PHA will send the family notice of termination and offer them an informal hearing.

Exceptions to these policies may be made by the supervisor if the family is able to document an emergency or life threatening situation that prevented them from canceling or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

## **Documents Required From the Family**

If the family does not provide all required documentation along with the recertification packet or at the face-to-face interview, the family will be issued a written letter listing the outstanding documentation needed to complete their re-examination.

The family will be required to document the following information:

All sources of household income

All assets

All allowable expenses

HUD and PHA consent forms

Verification of Information

The PHA will follow the verification procedures and guidelines described in this PLAN. Verifications for re-examination must be less than 120 days old.

### **Tenant Rent Increases**

If tenant rent increases, a thirty day notice is mailed to the family prior to the scheduled effective date of the annual recertification.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the tenant rent increase will be effective on the first of the month following the thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

### **Tenant Rent Decreases**

If tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the PHA.



### **C. REPORTING INTERIM CHANGES** [24 CFR 982.516]

Program participants must report all changes in household composition to the PHA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PHA approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. The PHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

Additions to the household that are the result of a birth, adoption, or court ordered custody must be reported within fifteen days of the addition of the minor child to the household.

If the family is requesting approval of any other person(s) to join the assisted household, the family must request and receive Housing Office approval before allowing the person(s) to move into the assisted unit.

The Housing Office reserves the authority to determine the group of assisted individuals, including the new residents, constitutes a “family.”

The request to add someone to the household will be denied if the proposed new member would be denied or terminated from participation under this Administrative Plan.

If a family member moves out of the unit, this change in family composition must be reported to the Housing Office within fifteen days of the date the person moved out of the unit.

#### **Increases in Income**

Families will not be required to report increase in income/assets between regular annual re-examinations.

#### **Interim Reexamination Policy**

The PHA will conduct an interim re-examination when families have an increase in earned income only if the head of household makes a written request for the increase to be processed

#### **Decreases in Income**

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must calculate the change if a decrease in income is reported.

#### **PHA Errors**

If the PHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

#### **D. OTHER INTERIM REPORTING ISSUES**

An interim re-examination does not affect the date of the annual recertification.

A face-to-face meeting with a Housing Office specialist will be scheduled for families with zero income every 30 days. An interim re-examination will be conducted if the family has had a change in income.

If a non-disabled / non-elderly family member has a decrease in income because earned income decreases or stops, a face-to-face meeting with a Housing Office specialist will be scheduled every 30 days until the family member becomes reemployed. An interim re-examination will be conducted when the family member becomes reemployed and the family's tenant rent will be adjusted to reflect the restoration of earned income.

Any changes reported by participants other than those listed in this section will be noted in the file by the staff person but will not be processed between regularly scheduled annual recertifications, unless the Family requests an increase in Total Tenant Payment and Tenant Rent because it will affect their escrow account.

**E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS** [24 CFR 5.615]

The PHA will not reduce the family share of rent for families whose welfare assistance is reduced by the welfare agency specifically because of:

fraud in connection with the welfare program; or

noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

However, the PHA will reduce the rent if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits; or

A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or

A family member has not complied with other welfare agency requirements.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of welfare benefits reduction (as specified by the welfare agency).

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Rental Subsidy Recertification Supervisor will review the calculation for accuracy. If the imputed welfare income amount is correct, the PHA will provide a written notice to the family that includes:

A brief explanation of how the amount of imputed welfare income was determined;

A statement that the family may request an informal hearing if they do not agree with the PHA determination.

(See "Verification Procedures" chapter.)

**Cooperation Agreements** [24 CFR 5.613]

The Housing Office is a component of Baltimore County's Department of Social Services. In the administration of the County's rental assistance programs, the Housing Office will work in conjunction with other components of the Department of Social Services to:

To target public assistance benefits and services to participants in the PHA's Self-Sufficiency program; and to,

Provide written verification to the PHA concerning welfare benefits for applicant and participant families, and specified reduction in welfare benefits for a family member, including amount of reduction; reason for reduction; term of reduction, and subsequent re-determination.

The PHA will rely on the welfare agency's computerized CARE system to identify specified benefit reductions.

The PHA and other components of the local welfare agency have mutually agreed to exchange information regarding any economic self-sufficiency and/or other appropriate programs or services that would benefit Section 8 tenant-based assistance families.

**F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS** [HUD Notice PIH 98-6]

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

The Notice of Rent Change is mailed to the owner and the tenant. Signatures **[are/are not]** required by the PHA. If the family disagrees with the rent adjustment, they may request an informal hearing.

**G. TIMELY REPORTING OF INTERIM CHANGES IN INCOME AND HOUSEHOLD COMPOSITION** [24 CFR 982.516(c)]

**Standard for Timely Reporting of Changes**

Changes the Family Must Report:

The PHA requires that families report interim changes to the PHA with 15 days of when the changes occurs or prior to adding a person who in not an addition due to birth, adoption, or court-awarded custody. Any information, document or signature needed from the family which is needed to verify the change must be provided within 10 days of the date of request by the PHA.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Changes the Family May Report:

The family may immediately report any change that decreases the family's income or increase the family's allowable deductions or expenses.

**Procedures when the Change is Reported in a Timely Manner**

The PHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increase in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported if the family submits all requested documentation needed to process the change timely.

**Procedures when the Change is Not Reported by the Family in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement.

Decrease in Tenant Rent will be effective on the first of the month following the month that the change was reported and all requested documentation was submitted to the PHA.

**Procedures when the Change is Not Processed by the PHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that

date, the change is not processed by the PHA in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by the PHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

**H. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION  
CHANGES** [24 CFR 982.516(c)]

(See "Subsidy Standards" chapter.)



**I. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518]**

Under the Non-citizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Non-citizens Rule was implemented on or after November 29, 1996, and mixed families may receive prorated assistance only.

**J. MISREPRESENTATION OF FAMILY CIRCUMSTANCES**

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

Reserved

## Chapter 13

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

#### INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside the PHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the PHA's HCV program, whether the family moves to another unit within the PHA's jurisdiction or to a unit outside the PHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the PHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

## **PART I. MOVING WITH CONTINUED ASSISTANCE**

### **A. ALLOWABLE MOVES**

HUD regulations list five conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)].

#### **PHA Policy**

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give the PHA a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the PHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The PHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].
- The PHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the PHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

## **B. RESTRICTIONS ON MOVES**

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

### **Denial of Moves**

HUD regulations permit the PHA to deny a family permission to move under the following conditions:

#### **Insufficient Funding**

The PHA may deny a family permission to move if the PHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)].

##### PHA Policy

The PHA will deny a family permission to move on grounds of insufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the PHA; (b) the PHA can demonstrate that the move, in fact, will result in higher subsidy costs; and (c) the PHA can demonstrate, through a detailed cost-reduction plan based on reasonable assumptions, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs. This policy applies to moves within the PHA's jurisdiction as well as to moves outside it under portability.

#### **Grounds for Denial or Termination of Assistance**

The PHA has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)].

##### PHA Policy

If the PHA has grounds for denying or terminating a family's assistance, the PHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 2 Eligibility and 15 Denial or Termination of Assistance, respectively. In general, the County will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances.

### **Restrictions on Elective Moves [24 CFR 982.314(c)]**

HUD regulations permit the PHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the PHA to prohibit more than one elective move by a participant family during any 12-month period.

#### **PHA Policy**

The PHA will consider elective moves by a participant family during the family's initial lease term for the following reasons:

- To protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs); or
- To accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area); or
- To address an emergency situation over which a family has no control; or
- If the family and the owner mutually agrees to terminate the lease.

In addition, the PHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Fair Housing Policy).

## **C. MOVING PROCESS**

### **Notification**

If a family wishes to move to a new unit, the family must notify the PHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2004-12]. The notices must be in writing [24 CFR 982.5].

### **Approval**

#### **PHA Policy**

Upon receipt of a family's notification that it wishes to move, the PHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections A and B. The PHA will notify the family in writing of its determination within 10 business days following receipt of the family's notification.

### **Reexamination of Family Income and Composition**

#### **PHA Policy**

For families approved to move to a new unit within the PHA's jurisdiction, the PHA will perform a new annual reexamination in accordance with the policies set forth in Chapter 12 of this plan.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the policies set forth in Part II of this chapter.

### **Voucher Issuance and Briefing**

#### **PHA Policy**

For families approved to move to a new unit within the PHA's jurisdiction, the County will issue a new voucher within 10 business days of the PHA's written approval to move. No briefing is required for these families. The PHA will follow the policies set forth in Chapter 8 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the PHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the portabilities policies in Part II of this chapter.



**Housing Assistance Payments [24 CFR 982.311(d)]**

When a family moves out of an assisted unit, the PHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

## PART II: PORTABILITY

### A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The first PHA is called the **initial PHA**. The second is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. The PHA will follow the rules and policies in section B when it is acting as the initial PHA for a family. It will follow the rules and policies in section C when it is acting as the receiving PHA for a family.

## **B. INITIAL PHA ROLE**

### **Allowable Moves under Portability**

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA may choose the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. The initial PHA, in accordance with HUD regulations and PHA policy, determines whether a family qualifies.

### **Applicant Families**

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

In determining whether or not to deny an applicant family permission to move under portability because the PHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in Part I, Section B of this chapter.

### **Participant Families**

The Initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. [24 CFR 982.353(b).]

#### **PHA Policy**

The PHA will determine whether a participant family may move out of the PHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in Part I of this chapter, Sections "A. Allowable Moves" and "B. Restrictions on Moves". The PHA will notify the family of its determination in accordance with the approval policy set forth in Part I, Section "C. Moving Process".

## **Determining Income Eligibility**

### **Applicant Families**

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [Notice 2004-12].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(c)(1)]. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2004-12].

### **Participant Families**

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2), 24 CFR 982.355(c)(1)].

## **Reexamination of Family Income and Composition**

No new reexamination of family income and composition is required by HUD for an applicant family.

### **PHA Policy**

For a participant family approved to move out of its jurisdiction under portability, the PHA generally will conduct a reexamination of family income and composition if the family is not currently being updated for an annual reexamination.

## **Briefing**

The regulations and policies on briefings stated in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

### **PHA Policy**

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 8). The PHA will provide the name, address, and phone number of the contact for the PHA in the jurisdiction to which they wish to move. The PHA will advise the family that they will be under the PHA's policies and procedures, including subsidy standards and voucher extension policies.

## **Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the PHA will follow the regulations and procedures set forth in Chapter 8. A new voucher is not required for portability purposes.

### **PHA Policy**

For participant families approved to move under portability, the PHA will issue a new voucher within 10 business days of the PHA's written approval to move.

The initial term of the voucher will be 60 days.

## **Voucher Extensions and Expiration**

### **PHA Policy**

The PHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the PHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 60 days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

### **Initial Contact with the Receiving PHA**

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(2)]. This means that the initial PHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2004-12]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(2)].

#### **PHA Policy**

Because the portability process is time-sensitive, Baltimore County, also, will notify the receiving PHA by fax and mail to expect the family. The County will ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The PHA will pass this information along to the family. The County will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

### **Sending Documentation to the Receiving PHA**

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2004-12]
- A copy of the family's voucher [Notice PIH 2004-12]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2004-12]
- Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2004-12]

#### **PHA Policy**

In addition to these documents, Baltimore County will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all family members age 6 and over

Documentation of legal identity

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

The PHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

### **Initial Billing Deadline [Notice PIH 2004-12]**

When the initial PHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 60 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the initial PHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

#### **PHA Policy**

If the PHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail on the next business day. If the PHA reports that the family is not yet under HAP contract, the PHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The PHA will send the receiving PHA a written confirmation of its decision by mail.

The PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

### **Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2004-12]**

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of overleasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

## **Annual Updates of Form HUD-50058**

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

## **Subsequent Family Moves**

### ***Within the Receiving PHA's Jurisdiction [24 CFR 314(e)(1), Notice PIH 2005-1]***

The initial PHA has the authority to deny subsequent moves by portable families whom it is assisting under portability billing arrangements if it does not have sufficient funding for continued assistance.

#### **PHA Policy**

If the PHA determines that it must deny moves on the grounds that it lacks sufficient funding (see section 10-I.B), it will notify all receiving PHAs with which it has entered into portability billing arrangements that they, too, must deny moves to higher cost units by portable families from the PHA's jurisdiction.

The PHA will allow exceptions to this policy for purposes of reasonable accommodation of a family member who is a person with disabilities.

### ***Outside the Receiving PHA's Jurisdiction [Notice PIH 2004-12]***

If the initial PHA is assisting a portable family under a billing arrangement and the family subsequently decides to move out of the receiving PHA's jurisdiction, the initial PHA is responsible for issuing the family a voucher while the family is either being assisted or has a voucher from the receiving PHA and, if the family wishes to port to another jurisdiction, sending form HUD-52665 and supporting documentation to the new receiving PHA. Any extensions of the initial PHA voucher necessary to allow the family additional search-time to return to the initial PHA's jurisdiction or to move to another jurisdiction would be at the discretion of the initial PHA.

## **Denial or Termination of Assistance [24 CFR 982.355(c)(9)]**

If the initial PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the initial PHA may act on those grounds at any time. (For PHA policies on denial and termination, see Chapters 2 and 15, respectively.)



### **C. RECEIVING PHA ROLE**

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)].

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(7)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

#### **Initial Contact with Family**

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families [24 CFR 982.355(c)(3)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA does not process the family's paperwork but instead refers the family back to the initial PHA [Notice PIH 2004-12].

When a portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program [24 CFR 982.355(c)(5)]. If the PHA initially bills the initial PHA for the family's assistance, it may later decide to absorb the family into its own program [Notice PIH 2004-12]. (See later under "Absorbing a Portable Family" for more on this topic.)

#### **PHA Policy**

Within 10 business days after a portable family requests assistance, the County will notify the initial PHA whether it intends to bill the County on behalf of the portable family or absorb the family into its own program.

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2004-12]. (For more on this topic, see later under "Denial or Termination of Assistance.")

## **Briefing**

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2004-12].

### **PHA Policy**

The PHA will require the family to attend a briefing. The PHA will provide the family with a briefing packet (as described in Chapter 8) and, in a briefing session, will orally inform the family about the PHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

## **Income Eligibility and Reexamination**

HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(4)]. However, the receiving PHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income eligible for admission to the program in the area where the family wishes to lease a unit [Notice PIH 2004-12, 24 CFR 982.201(b)(4)]. The receiving PHA does not redetermine income eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(1)].

### **PHA Policy**

For any family moving into its jurisdiction under portability, the PHA will conduct a new reexamination of family income and composition. However, the PHA will not delay issuing the family a voucher for this reason. Nor will the PHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the PHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the PHA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

## **Voucher Issuance**

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(b)(6)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(6)].

### **Timing of Voucher Issuance**

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2004-12].

#### **PHA Policy**

When a family ports into its jurisdiction, if the remaining term of the voucher is less than sixty days, the Initial PHA will be notified in writing that the receiving PHA will port the family back to the Initial PHA unless the Initial PHA gives the family a sixty day extension or reissues the family a voucher with a new sixty day term. If the Initial PHA fails to do so, the receiving PHA will port the family back to the Initial PHA.

### **Voucher Term**

The term of the receiving PHA's voucher may not expire before the term of the initial PHA's voucher [24 CFR 982.355(c)(6)].

#### **PHA Policy**

The receiving PHA's voucher will expire on the same date as the initial PHA's voucher.

### **Voucher Extensions [24 CFR 982.355(c)(6), Notice 2004-12]**

The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

#### **PHA Policy**

The PHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the PHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in Chapter 8.

The PHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

## **Notifying the Initial PHA**

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(8)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [24 CFR 982.355(e)(5), Notice PIH 2004-12]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher,")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction. [Notice PIH 2004-12]

## **Administering a Portable Family's Voucher**

### **Initial Billing Deadline**

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 60 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2004-12]. A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

### **PHA Policy**

The PHA will send its initial billing notice by fax, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is overleased) [Notice PIH 2004-12].

**Ongoing Notification Responsibilities [Notice PIH 2004-12, HUD-52665]**

**Annual Reexamination.** The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

**PHA Policy**

The County will send the initial PHA a copy of the updated HUD-50058 by regular mail at the same time the PHA and owner are notified of the reexamination results.

**Change in Billing Amount.** The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

**Late Payments [Notice PIH 2004-12]**

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

### **Overpayments [Notice PIH 2004-12]**

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2004-12.

### **Denial or Termination of Assistance**

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(9), 24 CFR 982.355(c)(10)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement. [Notice PIH 2004-12]

#### **PHA Policy**

If the PHA elects to deny or terminate assistance for a portable family, the PHA will notify the receiving PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The PHA will base its denial or termination decision on the policies set forth in Chapter 2 or Chapter 15, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 19. The Housing Office will furnish the receiving PHA with a copy of the review or hearing decision.

## **Absorbing a Portable Family**

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in overleasing [24 CFR 982.355(d)(1), Notice PIH 2004-12].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family. [Notice PIH 2004-12]

### **PHA Policy**

If the PHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the PHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the PHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability.