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May 31, 2024**



# ASSET MANAGEMENT DEPARTMENT



# TENANT SELECTION PLAN

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### 1.1 Housing Act of 1937

Link: [United States Housing Act of 1937](#)

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents.

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The 1987 Housing and Community Development Act authorized a new version of the Section 8 Program: The Housing Choice Voucher (HCV) Program. The Act continues to be amended from time to time, and its requirements, as they apply to the HCV Program, are described in and implemented throughout this Administrative Plan.

### 1.2 HAMC Mission Statement

The Housing Authority of Maricopa County’s (HAMC) Mission is to improve the quality of life of families and strengthen communities by developing and sustaining affordable housing programs; and to become a leading housing authority by exemplifying best practices, offering innovative affordable housing programs, and expanding accessibility throughout Maricopa County.

### 1.3 Purpose of the Tenant Selection Plan

Link: [HUD Handbook 4350.3 Rev-1](#)

The tenant selection plan helps to ensure that tenants are selected for occupancy in accordance with HUD requirements and established management policies. HUD requires that the plan specify a number of procedures and policies, including the following :

1. Project eligibility requirements
  - A. Project-specific requirements
  - B. Citizenship requirements
  - C. Social security number requirements
2. Income limits (including economic mix requirements for Section 8 properties)
3. Procedures for accepting applications and selecting from the waiting list:
  - A. Procedures for accepting applications and pre-applications
  - B. Procedures for applying preferences
  - C. Applicant screening criteria
    - I. Required drug-related or criminal activity criteria
    - II. Other allowable screening criteria;
    - III. Procedures for rejecting ineligible applicants
4. Occupancy standards.
5. Unit transfer policies, including selection of in-place residents versus applicants from the waiting list when vacancies
6. Policies to comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil rights laws and statutes (
7. Policy for opening and closing the waiting list for the property (
8. Eligibility of students

HUD recommends that the plan specify a number of procedures and policies, including the following :

1. Applicant notification and opportunity to supplement information already provided
2. Procedures for identifying applicant needs for the features of accessible units or reasonable accommodations
3. Updating the waiting list
4. Policy for notifying applicants and potential applicants of changes in the tenant selection plan
5. Procedures for assigning units with originally constructed design features for persons with physical disabilities
6. Charges for facilities and services
7. Security deposit requirements
8. Unit inspections
9. Annual recertification requirements
10. Interim recertification reporting policies
11. Implementation of house rule changes

#### **1.4 Required Postings**

This Tenant Selection Plan is available to the public upon request. Its availability will be posted in a common area of the rental office. It may also be reviewed during normal business hours at the following locations:

8910 N. 78th Ave. | Peoria, AZ 85345 | p 602.744.4500 | TDD 602.744.4540  
12669 W. Rimrock Street. | Surprise, AZ 85378 | p 602.744.4551  
2106 E. Apache Blvd. | Tempe, AZ. 85281 | p 602.744.4560  
12976 W. Cottonwood St. | Surprise, AZ 85378 | p 602.744.4582  
525 E. Harrison Drive | Avondale AZ 85323 | p 602.744.4582

A full copy of the most recent version of the Tenant Selection Plan is available for review on the Housing Authority's website at: <http://www.maricopahousing.org>

#### **1.5 Tenant Selection Plan Revisions**

HAMC will revise this plan as needed to comply with any program changes implemented by HUD throughout the year. These changes shall not constitute a significant modification to the Plan and will not require public notice or comment prior to implementation. HAMC will review the Plan annually and update any local policies or changes in program operations.

##### **1.5.1 HOTMA (Housing Opportunity Through Modernization Act of 2016 Implementation**

HAMC must continue to follow their existing Tenant Selection Plans and EIV policies & procedures until the HAMC's software is compliant (tentatively Fall 2024) after which the following will happen:

- HAMC will provide tenants with at least 60 days' notice that their lease will be modified at the end of the lease term after the expiration of the 60 days' notice. Once proper notice is given, HAMC must begin using the revised Model Leases at the expiration of a family's lease term.

- HAMC will implement their revised Tenant Selection Plans and EIV policies and procedures.
- All tenant data submissions must comply with the HOTMA regulations. Prior to their first reexaminations under HOTMA, MFH Owners must inform families that their income determinations will be conducted in accordance with the HOTMA final rule.
- HAMC will use the HUD revised Tenant Consent form (form HUD-9887/9887A) and Fact Sheets (“How Your Rent Is Determined”).



### 2.1 Non-Discrimination

It is the policy of HAMC to comply fully with Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974), Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and any legislation protecting the individual rights of residents, applicants or staff which may subsequently be enacted.

HAMC will not discriminate on the basis of race, color, sex, religion, age, disability, national origin, marital status, sexual orientation, ancestry, source of income, medical condition, or any other arbitrary basis in the leasing, rental, or other disposition of housing or related facilities, or in the use or occupancy thereof. In addition, HAMC will not:

- Deny to any applicant the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to his/her needs;
- Provide housing which is different from that provided others;
- Subject a person to segregation or disparate treatment;
- Restrict a person's access to any benefit enjoyed by others in connection with the housing program;
- Treat a person differently in determining eligibility or other requirements for admission;
- Deny a person access to the same level of services; or
- Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the housing program.

HAMC shall not automatically deny admission to a particular group or category of otherwise eligible applicants. Each applicant in a particular group or category will be treated on an individual basis in the normal processing routine.

### 2.2 Equal Access to Housing Regardless of Sexual Orientation, Gender Identity or Marital Status (Equal Access Rule)

On February 3, 2012, HUD published a final rule entitled Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity, which ensures that properties across HUD programs are open to all eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status. The rule includes the following provisions, which will be upheld by HAMC at all times:

- A determination of eligibility for HAMC properties will be made in accordance with the eligibility requirements provided by HUD, and will be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.
- HAMC properties will not inquire about the sexual orientation or gender identity of an applicant or tenant for purposes of determining eligibility or otherwise making housing available. However, it is possible that a property may need to make inquiries into sex for temporary, emergency shelter with shared sleeping areas or bathrooms, or to determine the number of bedrooms to which a household may be entitled.

## **Definitions for the Equal Access Rule**

HAMC will use the following definitions that are applicable to the Equal Access Rule:

- The term family includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
- A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- A group of persons residing together and such group includes, but is not limited to (i) a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); (ii) an elderly family; (iii) a near-elderly family; (iv) a disabled family; (v) a displaced family; and (vi) the remaining member of a tenant family.
- The term gender identity means actual or perceived gender-related characteristics.
- The term sexual orientation means homosexuality, heterosexuality or bisexuality.

## **VAWA 2013**

VAWA 2013 clarifies that, consistent with HUD's nondiscrimination and equal opportunity requirements, victims of domestic violence, dating violence, sexual assault, and stalking cannot be discriminated against on the basis of any protected characteristics (including race, color, religion, sex, disability, familial status, national origin, or age), and HUD programs must also be operated consistently with HUD's Equal Access Rule, which states that HUD- assisted and HUD-insured housing must be made available to all otherwise eligible individuals and families without regard to actual or perceived sexual orientation, gender identity or marital status.

## **Section 504 of the Rehabilitation Act of 1973**

It is the policy of HAMC to assure that qualified individuals with handicaps or disabilities are not discriminated against on the basis of their handicap or disability. HAMC also assures that these individuals will have equal opportunity to receive and enjoy the benefits of living at HAMC.

## **Reasonable Modifications**

HAMC will allow reasonable modifications to individual units or common areas when requested by applicants and residents with disabilities. If considered reasonable by HAMC, these modifications will be made at the property's expense. If deemed to be unreasonable, an active dialogue will be opened between HAMC and the disabled applicant or resident to find a mutually agreeable solution.

## **Reasonable Accommodations**

HAMC will seek to identify and eliminate situations or procedures that create a barrier to equal housing opportunity for all. In accordance with Section 504 of the Rehabilitation Act of 1973, HAMC will make reasonable accommodation for individuals with handicaps or disabilities (applicants or residents).

HAMC will make reasonable adjustments to rules, policies, and services in order to enable an applicant or resident with a disability to have an equal opportunity to use and enjoy the unit and the common area of dwelling, or to participate in or have access to other activities conducted or sponsored by HAMC.

In reaching a reasonable accommodation with, or performing structural modifications for otherwise qualified individuals with disabilities, HAMC is not required to:

- Make structural alterations that require the removal or altering of a load-bearing structural member;
- Provide support services that are not already part of its housing programs;
- Take any action that would result in a fundamental alteration in the nature of the program or service;
- Take any action that would result in an undue financial and administrative burden on HAMC, including structural impracticality as defined in the Uniform Federal Accessibility Standards (UFAS).

### **2.3 Cure non-compliance (HOTMA)**

In accordance with Housing Opportunity Through Modernization Act of 2016 (HOTMA) sections 102 and 104 and detailed in the final rule published in Federal Register Notice 88 FR 9600 on February 14, 2023 (PIH Notice 2023-27), PHAs have discretion with respect to the application of the asset limitation at annual and interim reexamination. This may mean, for example, HAMC would allow someone to cure their noncompliance or provide more time to demonstrate they have cured their noncompliance before terminating assistance if there was a nexus between the person's disability and their need to cure or their need for additional time to demonstrate they have cured their noncompliance.

Reasonable accommodation could require delaying the initiation of termination or eviction proceedings for more than six months.

### **2.4 Information Regarding Disabilities**

HAMC ensures that any questions related to disability information on the application for housing have to do with program eligibility and allowable medical or disability deductions for housing applicants who wish to take advantage of those deductions. It is not required that any information regarding a possible handicap be revealed other than for program eligibility requirements.

The applicable HUD standard deductions are adjusted annually by the HUD published Consumer Price Index–Urban Wage Earners and Clerical Workers (CPI–W) Inflation Factor. Eligible deductions are associated with all certification types (i.e. Move-in, Initial Certifications, Annual, etc.).

#### **Auxiliary Aids to Ensure Effective Communication**

HAMC will seek to effectively communicate with applicants, residents, and members of the public who are individuals with disabilities. The use of auxiliary aides will be implemented when necessary. HAMC asks for 7 day notice in order to make any service, meeting, interview, appointment, or any business accessible. Requests for auxiliary aids may include visual alarms, tactile signs, visual doorbells, readers, interpreters, large print or Braille applications, leases, and other information/communications, recordings of such information, and a community room television that provides closed-captioning service.

### **Assistance Animals**

HAMC will allow assistive animals which are defined as animals that work, provide assistance, perform tasks for the benefit of a person with a disability, or provide emotional support to alleviate identified symptoms or effects of a person's disability. These animals, often referred to as assistive, service, support, or therapy animals perform many disability-related services, including but not limited to guiding individuals who are blind, alerting individuals who are deaf, providing minimal protection or rescue assistance, pulling a wheelchair, fetching items, alerting persons to impending seizures, or providing emotional support to persons with disabilities who have a disability-related need for such support. No pet deposit is required for assistive animals. Appropriate rules of conduct will be provided for assistive animals. If an accommodation for assistive animals causes a financial and/or administrative burden on HAMC, or becomes a danger to the safety of the other residents or staff, the assistive animal will be denied.

### **Accessible Route**

For mobility-impaired persons, HAMC is an accessible facility on an accessible route.

### **Equal Access**

HAMC will provide assistance in a confidential manner and setting to insure equal access to a resident's documents. An individual with disabilities is responsible for providing her/his own transportation to and from the location where all documents are kept. Documents that the resident would like to review may be examined during regular business hours. Please contact the management office to make arrangements to examine any documents.

### **Mitigating Circumstances**

Section 504 and Fair Housing regulations state that consideration for mitigating circumstances shall be given to all persons applying for occupancy. If an applicant feels there is a mitigating circumstance or reasonable accommodation to be considered for determining occupancy, they should contact HAMC immediately to schedule a meeting. Management will provide assistance to ensure equal access to an applicant's documents at the location where all applicant files are retained, whether at the leasing site or at the administrative office of the management agent. An individual with disabilities is responsible for providing her/his own transportation to and from the location where all documentation for the applicant files are kept.

### **Civil Rights Related Program Requirements Limited English Proficiency (LEP)**

Executive Order 13166 requires Federal agencies and grantees to take affirmative steps to communicate with persons who need services or information in a language other than English. Management has taken steps to ensure meaningful access to the information and services that we provide for persons with limited English proficiency, by providing interpreter services and/or written materials translated into other languages. HUD's required leases, recertification notices, the Consent for Release of Information Packet (forms HUD-9886, HUD- 9887 and 9887-A), form HUD-5380 - The Notice of Occupancy Rights under the Violence Against Women Act (VAWA 2013), and form HUD-5382 - Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation, are all available upon request in Amharic, Korean, Arabic, Portuguese, Armenian, Russian, Chinese, Spanish, Farsi, Tagalog, French, Vietnamese, and Khmer (Cambodian). If management determines there is an applicant or tenant who does not read a language that HUD has translated its forms into, management will provide those applicants and tenants with forms translated into languages they do understand, in accordance with HUD's LEP guidance.

## CHAPTER 3: PROGRAM ADMINISTRATION

### 3.1 Introduction

HAMC has Multi-Family Rental Assistance properties that are layered with Project Rental Assistance Contract, (PRAC), Project Based Rental Assistance (PBRA), Project Based Vouchers (PBV) and Low-income Tax Credit (LIHTC) that is administered and/or monitored by the U. S. Department of HUD and the Arizona Department of Housing. These programs are designated to attract applicants for occupancy from all potentially eligible groups of people in the housing area regardless of race, color, religion, sex, national origin, disability, familial status, marital Status, source of income, age, ancestry, medical condition, sexual orientation or any other arbitrary basis. HAMC has unit sizes ranging from one (1) to four (4) bedrooms available for rent. To be eligible for occupancy at this property, there must be a match between the applicant's family size and the unit size available at HAMC. The goal of this Tenant Selection Plan is to establish a guideline for the selection of residents in accordance with HUD regulations, which will enhance the quality of life for our residents and improve the financial viability of HAMC.

### 3.2 Project Rental Assistance Contract (PRAC)

HUD Section 202 Supportive Housing for the Elderly program provides funding for the development of supportive rental housing for Very-Low-Income persons aged 62 years or older and project rental subsidies in the form of a Project Rental Assistance Contract (PRAC) to maintain ongoing affordability. This program provides elderly persons with the opportunity to live independently, but with important voluntary support services such as nutritional, transportation, continuing education, and/or health-related services.

### 3.3 PRAC Program Eligibility

To be eligible for residency in a Section 202 unit, a household must be composed of one or more persons at least 62 years of age at the time of initial occupancy, with a household income at or below 50 percent of the area median income.

### 3.4 Property Locations with PRAC

The following properties have PRAC funds and require applicable program eligibility both initially and on-going:

**Heritage Senior Apartments | 15627 North Nash Street | Surprise, AZ 85378**

### 3.5 Local Preference – Heritage Senior Apartments Only

Heritage Senior Apartment Applicants are not required to be a Veteran or a City of Surprise Resident (living or working within the city limits).

Preferences establish the order of applicants on the waiting list. An admission preference does not guarantee admission. Every applicant must still meet the Program Eligibility Requirements before being offered a unit.

#### **HAMC Policy**

The local preferences will not be verified prior to placement on the waiting list. HAMC will verify the preference at the time that the applicant is selected from waiting list to determine final eligibility. Verification must confirm that the applicant qualified for the preference(s) at the time of initial registration for the waiting list. If the applicant is unable to verify one or more preference(s) claimed, they will be placed at the end of the waiting list and re-ranked based solely on their original application's date and time with no preference points, Heritage Senior Apartments has the following local preferences:

1. **Veterans:** Applicants in which the sole member or the head of the household is a veteran of the armed forces.
2. **Reside or Work in City of Surprise** Residency Preference will be given for applicants who live and/or work in the City of Surprise at the time of application (as stated on the application); OR who moved to, or start to work in, the City of Surprise before eligibility determination.

### 3.6 Project Based Rental Assistance (PBRA)

HUD Section 8 Project Based Rental Assistance provides funding for the development of supportive rental housing for Very-Low-Income and Extremely-Low-Income persons. A family or individual must have a “low income” — meaning that their income may not exceed 80 percent of the local median to live in Section 8 PBRA housing.

For each participating housing development, at least 40 percent of the subsidized units that become available annually must go to families with “extremely low incomes” (up to the poverty line or 30 percent of the local median, whichever is higher). Most of the remaining units are restricted to families or individuals with incomes not above half of the local median.

### 3.7 PBRA Program Eligibility

To be eligible for residency in a HUD Section 8 PBRA unit, a household must be composed of one or more persons with a household income at or below 50 percent of the area median income.

### 3.8 Property Locations with PBRA

The following properties have PBRA funds and require applicable program eligibility both initially and on- going:

#### **Regional Leasing Office: 12976 Cottonwood Street, Surprise, AZ 85374**

Baden Homes | 1003 N. 93rd Avenue | Tolleson, AZ 85353  
 John Hollar Gardens | 9204 W. Baden St. | Tolleson, AZ 85353  
 Casa Bonitas | 12976 Cottonwood Street | Surprise, AZ 85374  
 Paradise Homes | 12618 Paradise Lane | Surprise, AZ 85374  
 Flora M. Statler Homes | 14102 N. First Avenue | El Mirage, AZ 85335  
 Villa Monte Rosa | 14001-14018 N. 5<sup>th</sup> | El Mirage, AZ 85335 | 602-744-4581

#### **Regional Leasing Office: 12669 W Rimrock St., Surprise, AZ 85378**

John Hammond Homes | 500 W. Washington Street | Peoria, AZ 85345  
 Parkview Estates | 10950 N. 87th Ave. | Peoria, AZ 85345  
 Varney Homes | 11503 N. 82nd Dr. | Peoria, AZ 85345

#### **Regional Leasing Office: 2106 E. Apache, Tempe, AZ 85281**

Father Fidelis Kuban Homes | 9209 Calle Tomi | Guadalupe, AZ 85283

### 3.9 Project Based Voucher (PBV) Assistance

A component of HUD’s Housing Choice Voucher Program is the Project Based Voucher (PBV) Program. Project-Based Vouchers (PBV) – Rental vouchers that are tied to a specific number of units in a building.

Section 8 Project Based Rental Assistance provides funding for the development of supportive rental housing for Very-Low-Income and Extremely-Low-Income persons. A family or individual must have a “low income” — meaning that their income may not exceed 50 percent of the local median to live in PBV housing.

For each participating housing development, at least 75 percent of the subsidized units that become available annually must go to families with “extremely low incomes” (up to the poverty line or 30 percent of the local median, whichever is higher).

### **3.10 PBV Program Eligibility**

Program and Occupancy Eligibility is a two (2) step process and is managed by two (2) separate HAMC departments:

1. The HAMC’s Rental Assistance Department determines program eligibility for selected applicants.
2. Occupancy eligibility is determined by Property Management.

### **3.11 Property Locations with PBV Assistance**

The following properties have PBV assistance and require applicable program eligibility both initially and on-going:

**Rose Terrace Apartments | 525 E. Harrison Drive | Avondale, AZ 85323**  
**Maricopa Revitalization Partnership | Various Locations | Mesa, AZ 85204**  
**Norton Circle Apartments | 551 W. Norton St. | Avondale, AZ 85323**

### **3.12 Consumer Price Index–Urban Wage Earners and Clerical Workers (CPI–W)**

HUD will publish the Consumer Price Index–Urban Wage Earners and Clerical Workers (CPI–W) Inflation Factor that must be applied to various income calculations and deductions, including both the dependent deduction and elderly/disabled family deduction.

## CHAPTER 4: QUALIFYING FOR ADMISSION UNDER HUD'S PROGRAM ELIGIBILITY REQUIREMENTS

### 4.1 Defining Program Eligibility

Program Eligibility determines whether applicants are eligible for federal rental assistance. HAMC will not admit ineligible applicants. In order to be eligible a family must meet all of the following tests:

1. Income limits,
2. Social Security Numbers,
3. Citizenship Status,
4. Student Status
5. Net Family Asset Limitation
6. Real Property Suitable for occupancy

### 4.2 Family Definition

To be eligible for assistance, an applicant must qualify as a family.

A "Family" is defined by HUD and includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

The terms family and household have different meanings in the HCV program.

1. A single person:
  - Who may be an elderly person, disabled person, near elderly person, or any other single person; or
  - Is an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age;
  - Has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)); and
  - Is homeless or is at risk of becoming homeless at age 16 or older
2. A group of persons residing together but is not limited to:
  - i. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family),
  - ii. An elderly family,
  - iii. A near-elderly family,
  - iv. A disabled family,
  - v. A displaced family, or
  - vi. The remaining member of a tenant family.

### 4.3 Income Limits

HUD establishes income limits and revises them annually to ensure that federal rental assistance is provided only to low-income families. Income limits are based on family size and the annual income the family receives. These limits are available for review at the site or management office. HAMC will determine income eligibility prior to approving any applicant for tenancy. Once the applicant moves into HAMC, this income eligibility test will not be done again unless the resident has gone to market rent and wants once again to be eligible for subsidy.

Applicants must have an income that is not greater than the maximum income limits established by HUD, and as published annually in the Federal Register. In addition, 40% of the new move-ins per year must be at or below 30% of the area median income, as required by HUD, and explained in the "Income-Targeting" paragraph below.



### 4.3.1 Income Eligibility

To determine if the family is income eligible, the HAMC will compare the annual income of the family to the HUD published income limit, and in some case, Low-Income Housing Tax Credit (LIHTC) Income Limit for the family's size.

When calculating a household's income, including asset income, at the time of admission to the program or during interim reexaminations, HAMC must use anticipated income (current income) (i.e., the family's estimated income for the upcoming 12-month period).

All applicants and participants must provide third-party documentation which represents the applicant's income within the 60-day period prior to admission and dated within 60 days of the HAMC's request.

### 4.3.2 Definition of Income

HAMC uses HUD's definition of Annual Income. Should this definition be revised, the current HUD definition will be used. Annual income includes "all amounts received," not the amount that a family may be legally entitled to receive but did not.

Annual income is the total income from all sources, including net income derived from assets received by the household head and spouse (even if temporarily absent) and by each additional household member including all net income from assets for the 12 month period following the effective date of initial determination or re-certification of income, exclusive of income that is temporary, non-recurring or sporadic as defined below, or is specifically excluded from income by other federal statute. Annual income includes but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- The net income from the operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness will not be used as deductions in determining the net income from a business. An allowance for the straight-line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the household for cash or assets invested in the business.
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness will not be used as deductions in determining net income. An allowance for the straight-line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used.
- The full number of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts;
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay.
- All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any household member.

- Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of household members; and
- All regular pay, special pay, and allowances of a household member in the Armed Forces.

HAMC will calculate annual income based on projected future income that is anticipated to be received in the twelve-month period following the effective date following the admission or the re-exam.

HAMC will conduct streamlined recertification of income for elderly and disabled families when 100 percent of the household income consists of fixed income. In this streamlined process, HAMC will recalculate family income by applying any published cost of living adjustments to the previously verified income. For purposes of this section, the term “fixed income” includes income from:

- Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI);
- Federal, state, local or private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits and other similar types of periodic receipts that are of substantially the same amounts for year to year.

### **4.3.3 Earned Income**

Earned Income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare assistance, Social Security, and other governmental subsidies/benefits), or any cash or in-kind benefits.

#### **4.3.3.1 Earned Income of Dependent Full-Time Students**

Earned income of dependent full-time students in excess of the amount of the deduction for a dependent is excluded from annual income. Full-time students must be dependent family members for this exclusion to apply. This exclusion does not apply to the head of household, spouse, or co-head. This means that the first \$480 of the income earned by dependent full-time students will be included in the family’s calculation of annual income. The dependent deduction will be adjusted annually in accordance with the (CPI–W). Full-time dependent students are eligible to receive both the \$480 (as adjusted for inflation) dependent deduction and the exclusion described in this paragraph.

#### 4.3.4 Method for Income-Targeting

HUD-Multifamily requires that PBRA, PRAC Section 8 ASSISTED UNITS must lease not less than 40% of the dwelling units that become available for occupancy in any project fiscal year to extremely low-income families, which is defined as families whose incomes are below 30% of the area median income. The methodology HAMC has chosen to fulfill this obligation is to alternate between the first six (6) extremely low-income families on the waiting list and the first four (4) otherwise eligible families. It is possible that applicants of a higher income that are also higher on the waiting list will be skipped over to achieve income-targeting. When this occurs, HAMC will make a notation on the waiting list to indicate that an applicant was skipped over to achieve the 40% income-targeting rule.

HUD-Public and Indian Housing requires that PBV, an HCV component program must lease not less than 75% of the dwelling units that become available for occupancy in any project fiscal year to extremely low-income families, which is defined as families whose incomes are below 30% of the area median income. The methodology HAMC has chosen is governed by the HAMC's Administrative Plan.

#### 4.3.5 Nonrecurring Income

Income that will not be repeated beyond the coming year (i.e., the 12 months following the effective date of the certification), based on information provided by the family, is considered nonrecurring income and is excluded from annual income. However, income received as an independent contractor, day laborer, or seasonal worker is not excluded from income even if the source, date, or amount of the income varies.

Income that has a discrete end date and will not be repeated beyond the coming year during the family's upcoming annual reexamination period will be excluded from a family's annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.

The following is a list of exclusions of nonrecurring income:

- Payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment;
- Direct federal or state economic stimulus payments;
- Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received;
- Amounts directly received by the family as a result of federal refundable tax credits or federal tax refunds at the time they are received;
- Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding, baby shower, or anniversary gifts);
- In-kind donations (e.g., food, clothing, or toiletries received from a food bank or similar organization); and
- Lump-sum additions to net family assets (e.g., lottery winnings, contest winnings, etc.).

Definitions of nonrecurring Income may be found in Appendix B of this document.

HAMC may accept a self-certification from the family stating that the income will not be repeated in the coming year.

#### **4.3.6 Excluded Income**

HAMC may accept an applicant or participant's self-certification as verification of excluded income. The application and reexamination questionnaire documentation may serve as the self-certification of excluded income.

Examples of excluded income categories that are verifiable through applicant or participant self-certification include:

- Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps.
- Income of a live-in aide.

### **4.4 Social Security Numbers**

Applicants must disclose Social Security numbers for all family members and provide proof of the numbers reported. The Social Security number requirement does not apply to persons not claiming eligible immigration status. In place residents (existing residents housed within the development prior to conversion) do not need to be reverified.

#### **4.4.1 Lack of Social Security Documentation**

Applicants who have not disclosed and/or provided verification of SSNs for all non-exempt household members, HAMC will continue to process the application, and the applicant will have 90 days from the date they are first offered an available unit to disclose and /or verify the SSNs. During this 90-day period, the applicant may, at its discretion, retain its place on the waiting list. After 90 days, if the applicant is unable to disclose and/or verify the SSNs of all non-exempt household members, the applicant will be determined ineligible and removed from the waiting list.

#### **4.4.2 Authorization for Release of Information**

All adult members 18 years of age and older, in each applicant family must sign an Authorization for Release of Information (HUD form 9887/9887-A) prior to receiving assistance, and annually thereafter. Refusing to sign the Authorization for Release of Information by any adult family member will cause the family to be ineligible for assistance.

Family members that turn 18 between reexaminations must sign required (HUD form 9887/9887-A) forms at the households next reexamination following the members 18<sup>th</sup> birthday. If all adult household members 18 years of age and older do not sign the required release of information forms, the family will be ineligible for assistance until cured.

#### 4.5 Citizenship Status

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

#### 4.6 Student Status

Any household members who is declared a full-time or part-time student must provide acceptable documentation from an acceptable source confirming their current student status. Failure to provide documentation of any household members' student status will cause the family to be ineligible for assistance. See section 4.3.3.1 for earned income of dependent full-time students.

#### 4.7 Foster Adult and Foster Child

In general, a foster adult is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

A foster child is defined as a member of the household who meets the definition of a foster child under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

HAMC may **not** provide a dependent deduction under § 5.611(a) for a foster child or foster adult. Consistent with the determination that foster adults/children are not family members, income earned by foster adults/children, payments received for the care of foster adults/children, and expenses incurred related to foster adults/children are not considered to be family income or family expenses used in the determination of annual income.

Reasonable unreimbursed child-care expenses (as defined in § 5.603) for foster children under 13 years of age may be deducted from annual income if those expenses are necessary to enable a member of the family to work, look for work, or to further their education, but only if the unreimbursed child-care expense for the care of the foster child is paid from the family's annual income (and not another source, such as a stipend from a child welfare agency).

Income and net family assets of household members are excluded when determining initial eligibility or eligibility for continued assistance; however, household members are considered for purposes of unit size and subsidy standards. For example, a live-in aide must be considered for bedroom size requirements for a unit, but their income and expenses would not be included for the purposes of income eligibility and assistance levels. Household members do not qualify for expenses or deductions, except that reasonable unreimbursed child-care expenses may be deducted for foster children under the age of 13 if it enables a member of the family to work, look for work, or go to school, and only if the unreimbursed child-care expense for the care of the foster child is paid from the family's annual income (and not another source, such as a stipend from a child welfare agency).

## CHAPTER 5: APPLICATION PROCESSING AND VERIFICATION REQUIREMENTS

### 5.1 EIV (Enterprising Income Verification)

HAMC is required to use EIV in its entirety, including using all of the required reports, such as the Existing Tenant Search and Income Reports, to verify tenant employment and income information at annual and streamlined reexaminations of family composition and income. However, HAMC is no longer required to use EIV to verify tenant employment and income information during an interim reexamination of family composition and income.

HUD's EIV database will be utilized to run the Existing Tenant Search when processing an application to determine if any applicant household member may be currently residing and/or receiving assistance through another Multifamily Housing or Public and Indian Housing (PIH) location.

See Appendix C Mandatory and Discretionary Use

### 5.2 Existing Tenant Search

All applicants MUST disclose if they are currently receiving HUD housing assistance. The Housing Authority of Maricopa County (HAMC) will not knowingly assist applicants who will maintain a residence in addition to the HUD-assisted unit.

HUD provides HAMC with information about an applicant's current status as a HUD housing assistance recipient. HAMC will use the Existing Tenant Search Report, during the final eligibility review, to determine if the applicant or any member of the applicant household may be currently receiving HUD assistance. An individual report must be run for ALL HOUSEHOLD MEMBER INCLUDING CHILDREN.

Since the applicant is required to provide current landlord information on the application, HAMC should be aware of the housing assistance. Nothing prohibits a HUD housing assistance recipient from applying to this property. However, the applicant must move out of the current property and/or forfeit any HUD voucher before HUD assistance on this property will begin. Special consideration applies to minor children where both parents share 50% custody.

The report gives HAMC the ability to coordinate move-out and move-in dates with the other PHA or HAMC owned/managed property. HAMC will follow-up with the respective PHA or other HAMC owned or managed property to confirm the individual's program participation status before admission. Notations pertaining to the status of applicants currently receiving subsidy at another property must be documented on the "Section 8 Existing Tenant MO Certification" form, and the notations must include: Name of the person contacted at current applicant residence, date/time of contact, information provided including anticipated move-out date for the applicant(s) and other relevant information

If the applicant or any member of the applicant household fails to fully and accurately disclose rental history on the application, the applicant may be denied based on "misrepresentation" of information. If HAMC discovers a discrepancy, the applicant will be notified and will have 5 business days to respond to the inquiry. (Please see the "Tenant Selection Plan" for additional information pertaining to denial of applicants). HAMC will send the applicant a notice to request a meeting to discuss the information that was provided on the Existing Tenant Search report.

Failure to respond to HAMC request for additional information and/or providing false or incomplete information will result in denial and removal from the waiting list in accordance with the property's current Tenant Selection Plan.

**Record Keeping-Existing Tenant Search Report**

**The Existing Tenant Search Report - must be maintained in the Applicant or Tenant file.**

If the information on the report results in an applicant not being accepted for housing assistance based on the applicant providing false or incomplete information, the report will be maintained in the applicant's file, along with associated correspondence sent to the applicant to inform him/her of management's decision to deny him/her as an applicant. If the information on the report results in information confirming that the applicant still resides at another property where he/she receives rental assistance, the report will be maintained in the applicant file along with the associated correspondence sent to the applicant to inform him/her of management's decision to deny him/her as an applicant, based on the fact that he/she has not moved out of another property where he/she is receiving rental assistance.

If the information provided by a current landlord, as indicated on the "Section 8- Existing MO Confirmation" form confirms that the applicant is currently being evicted an associated correspondence sent to the applicant family must be maintained in the applicants file.

A copy of the Existing Tenant Search report will be filed in each tenant file and a report must be included for each household member, including household minor and dependents. If the Existing Tenant Search report shows that any member of the applicant family is receiving rental assistance at another property, documentation must be included and noted on the Section 8 Existing Tenant MO Confirmation" form confirming the move out date as provided by the landlord. Follow up action may or may not be needed based on information provided by the landlord at the property where the applicant is currently receiving rental assistance and in accordance with the Property's Tenant Selection Plan.

**5.3 MULTIPLE SUBSIDY REPORT**

The **Multiple Subsidy Report** will be reviewed quarterly. The Report allows HAMC to search TRACS database to identify individuals who may be receiving multiple rental subsidies. If the report shows that a resident is being assisted at another location, HAMC must contact the household and offer them the opportunity to dispute or explain the situation, If the results of the searches (both MF and within PIH) (see search option) below shows that a tenant is being assisted at another location, HAMC must discuss these results with the household. The notice requires that the household meet with HAMC within five days of the date of the notice.

HAMC must also contact the representative PHA or owner/agent of the other property showing on any multiple subsidy report and document all information obtained regarding receipt of multiple subsidy for any household member. Information will be documented on the property's discrepancy log with notations on all follow-up completed by owner agent.

If any household member received or attempted to receive assistance in another HUD assisted unit while receiving assistance on this property, the household member will be required to reimburse HUD for assistance paid in error. This is considered a material non-compliance lease violation and may result in penalties up to and including evictions and pursuit of fraud charges.

**Search Options- Multiple Subsidy Report**

When running **the Multiple Subsidy Report**, HAMC will perform both of the search options as shown below to determine if possible multiple subsidies exist:

**Search within Multifamily (MF)**

**Search within Public and Indian Housing (PIH)**

**Recordkeeping-Multiple Subsidy Report**

Print out and maintain a copy of the **Multiple Subsidy Report** in the EIV discrepancy log file, and include notations as to the outcome of contacts with the residents and/or PHA or owner/agent of other property. In addition, a copy of the **Multiple Subsidy Report** for the resident plus any documentation supporting any contacts made or information obtained to determine if a **household** and/or household member is receiving multiple subsidies as well as documentation to support any action taken if a household and/or household member is receiving subsidies must be retained in the tenant file.

The tenant file must only contain information for that particular household. Reports may need to be manually separated so that only information for the household is included in the tenant file.

Refer to HUD Handbook 4350.3, Rev 1 as well to determine if households receiving multiple subsidies should be terminated in accordance with the HUD Model Lease and charged market rent for unpaid subsidy at the property as a result of multiple subsidies.

**5.4 No Income Report**

The **No Income Report** will be reviewed quarterly. The report provides HAMC with the list of tenant whose identities were verified by the SSA, but do not have or never have received SSA/SSI benefits or wages. Information obtained in the **No Income Report** must be compared to information provided by the applicant/tenant and any/all discrepancies with the information should be researched. Applicants/Tenants declaring to have no household income should be listed on the **No Income Report** and if not listed on this report additional steps must be taken by the HAMC to determine why the household is listed.

Discrepancies between information provided by the applicant/tenant and the information obtained in the **No Income Report** should be handled in the same manner as discrepancies obtained in the **Income Discrepancy Report** and all discrepancies must be documented, discussed with the applicant/tenant, and resolved within (30) days of the date of the report.

Correction must be made for unreported or under-reported household income by processing the appropriate 50059 and processing repayment agreements (as warned) based on the timeframes and amount of subsidy owed by the household, if any. In addition, households reflected on the **No Income Report** that have not reported to HAMC - that household is currently receiving income should be contacted to review the information obtained and compared to information provided to the household. Sources of income not included on the **No Income Report** must be accounted for, verified according to the HUD Handbook 4350.3 guidelines and included on the household's 50059, such as child support income, recurring gifts, benefits not included in the EIV System, etc.

All household reporting zero income may complete a zero income self-certification, but HAMC will not assign monetary value to non-monetary in-kind donations from a food bank or similar organization. Applicants or participants may be asked to complete a Zero Income Questionnaire in accordance with the "Section 8 - Standard Operating and Procedures Manual" on a quarterly basis as well. The questionnaire is intended to confirm households are meeting daily needs and to ascertain if there is unreported household income that should be included as part of the household's annual income.

**Recordkeeping - No Income Reports**

HAMC will maintain the No Income Reports with the EIV Discrepancy log file and include any documentation and correspondence with the household(s) to discuss discrepancies between the individual household reported income and the No Income Report. In addition, the owner/agent will maintain individual No Income Report in the tenant file along with any/all documentation and correspondence with the household relative to the household's reported income amounts and the **No Income Report**.



The owner/agent will “purge” EIV printouts at the end of tenancy plus 3 years. HAMC will document the resident’s file when information is destroyed. When documenting this action, provide information about when and how the information was destroyed.

**Reporting at Annual Certification, Interim Certification and Unit Transfer**

Aside from the reports previously mentioned, the EIV Income Reports will be reviewed during annual and interim re- certification. The Income report will be printed and reviewed within 90 days after transmission of the move-in certification through iMAX and any income discrepancies will be resolved within 30 days of the income report date. Reports will be produced and reviewed based on the following schedule:

Annual Certification Month	Discrepancy and Income Report Viewed for Annual Certification
January	November 1-10
February	December 1-10
March	January 1-10
April	February 1-10
May	March 1-10
June	April 1-10
July	May 1-10
August	June 1-10
September	July 1-10
October	August 1-10
November	September 1-10
December	October 1-10

**Primary Residence**

Applicants must agree that their rental unit will be their only residence. When applicants are undergoing income limit tests, they are required to reveal all assets they own including real estate. They are allowed to own real estate, whether they are retaining it for investment purposes as with any other asset, or have their property listed for sale. However, they may never use this real estate as a residence while they live in HUD-assisted housing.

**Rent Formula for Section 8**

Applicants must agree to pay the rent required by the Section 8 subsidy formula used at HAMC, which is defined in HUD’s Occupancy Handbook, HUD Handbook 4350.3 REV-1, CHG-2 as follows: The applicant/resident will pay the greater of:

- 30% of the monthly-adjusted income
- 10% of the monthly gross income
- Welfare Rent or
- Minimum Rent of \$25

**Hardship Exceptions**

HAMC will waive the minimum monthly rent requirement to any family unable to pay due to a long-term financial hardship. The financial hardship exemption constitutes the only statutory exemption, and includes the hardship situations listed below. NOTE: A family who is eligible for and receives a hardship exemption must be recertified every 90 days.

The family has lost federal, state, or local government assistance or is waiting for eligibility determination (including legal immigrants):

- The family would be evicted if the minimum rent requirement was imposed;
- The family income has decreased due to a change in circumstances, including but not limited to, loss of employment;
- A death in the family has occurred;
- Other applicable situations, as determined by HUD, have occurred.

## **5.5 Annual Recertification Policy**

HAMC will conduct a recertification of family income and composition annually. All family members must supply the information requested by management, owner, and HUD. Tenants must sign the required consent forms and HAMC will obtain third party verification of the required documentation, including annual income, the value of assets, authorized deductions from annual income and other factors that affect the determination of adjusted income. HAMC will then recompute the rent and assistance payments, if applicable, based upon the information gathered. Failure, by the resident, to comply with the recertification process will result in termination of rental assistance.

HAMC will not conduct annual recertification for those residents paying full contract or market rent, unless the resident request certification to determine their eligibility to receive assistance.

If an interim reexamination was performed within the reexamination cycle and there are no additional changes to the reported income from the most recent interim re-exam, the HAMC will use the annual income from the interim reexamination to determine the family's rental assistance. The HAMC may use the verification obtained from the interim reexamination for this step.

### **HAMC Policy**

At annual reexamination, HAMC will adopt a "Enforcement" policy for asset limitation (see Section 5.9 Asset Limitations), this means that HAMC will initiate termination or eviction proceedings within six (6) months of the income examination that determined the family was out of compliance.

HAMC may delay the initiation of termination or eviction proceedings for noncompliant families for up to but no longer than six months of the income examination. See Section 5.9 that determines whether owned real property renders the family out of compliance with the asset limitation.

## **5.6 Interim Recertification Policy**

Further, to ensure that assisted families pay rents based on their ability to pay, applicants must understand and agree to HUD's requirement that they are required to supply interim information to HAMC when the following occurs between annually scheduled re-certifications: A family member moves in/out of the unit:

- An adult member of the family who was reported as unemployed on the most recent certification obtains employment; or
- The family's income cumulatively increases by \$200 or more per month.

**Notification Policy**

HAMC will inform residents, through required written notices, about their responsibility annually to provide information about the family's income, which is necessary to properly complete a recertification.

**HAMC Policy**

At interim reexamination, HAMC will adopt a "Enforcement" policy for asset limitation (see Section 5.9 Asset Limitations), this means that HAMC will initiate termination or eviction proceedings within six (6) months of the income examination that determined the family was out of compliance.

HAMC may delay the initiation of termination or eviction proceedings for noncompliant families for to but no longer than six months of the income examination. See Section 5.9 that determines whether owned real property renders the family out of compliance with the asset limitation.

**5.7 Streamlined Income Determination**

For any family member with a fixed source of income, the HAMC may determine that family member's income using a streamlined income determination by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

A family member with a fixed source of income is a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources: Social Security, Supplemental Security Income, Supplemental Disability Insurance; federal, state, local, or private pension plans; annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

HAMC will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount and will verify the COLA or current interest rate from a public source or through tenant-provided, third party-generated documentation. If no such verification is available, then the HAMC will obtain third-party verification of income amounts in order to calculate the change in income for the source.

For any family member whose income is determined by a streamlined income determination, the HAMC requires participants to obtain third-party verification of all income amounts every 3 years.

Effective the day after SSA has announced the COLA, HAMC is required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations that have not yet been completed and will be effective January 1 or later of the upcoming calendar year.

**HAMC Policy**

HAMC will first determine the family's income for the previous 12-month period and use this amount as the family income for annual reexaminations; however, adjustments to reflect current income must be made. Any change of income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination of family income in accordance with HAMC policies and HUD Rules on family income and composition be considered.

HAMC will calculate annual income based on projected future income that is anticipated to be received in the twelve-month period following the effective date following the admission or the re-exam.

HAMC will conduct streamlined recertification of income for elderly and disabled families when 100 percent of the household income consists of fixed income. In this streamlined process, HAMC will recalculate family income by applying any published cost of living adjustments to the previously verified income. For purposes of this section, the term “fixed income” includes income from:

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI);
2. Federal, state, local or private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits and other similar types of periodic receipts that are of substantially the same amounts for year to year.

## **5.8 Eligibility under the Noncitizen Rule**

According to Section 214 of the Housing and Community Development Act of 1980 (commonly known as the Noncitizen Rule), federal rental assistance is restricted to the following:

- U.S. citizens or nationals; and
- Noncitizens who have eligible immigration status as determined by HUD.

These requirements apply to applicants, families on the waiting list and tenants. HAMC will determine citizenship status for each applicant at the initial eligibility determination, prior to move in. Some families will qualify as mixed families, i.e., a family with one or more ineligible members and one or more eligible members. Mixed families received prorated assistance based upon the number of eligible and ineligible family members. For family members who move in after eligibility, the required forms and evidence of citizenship must be submitted at the first interim or regular recertification after the person moves to the unit. As part of the annual or interim recertification process, HAMC will also determine the citizenship/immigration status of tenants from whom they have not previously collected the proper documentation or whose documentation suggested that their status was likely to change. If the status of a family member in a mixed family changes, the family may request an intern certification. HAMC will notify families in writing if they are found to be ineligible based upon citizenship/immigration status.

### **Declarations and Verifications of Citizenship**

All family members, regardless of age, must declare their citizenship or immigration status via a specific Declaration or Verification Form, the exact type of which depends on the applicant’s status. All applicants for assistance will be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time c. A separate form must be signed by each member of the family. For family members under the age of 18, the form must be signed by an adult member of the household. The following documents are required:

#### **For U.S. citizens:**

A Declaration of Citizenship Form. In addition, HAMC requires a copy of the applicant’s birth certificate.

#### **For Noncitizens under the age of 62:**

- (1) Verification Consent Form;
- (2) Declaration of Eligible Immigration Status;

One of the documents approved by the Department of Homeland Security as acceptable evidence of immigration status.

**Noncitizens age 62 and over:**

Noncitizens who are age 62 and older are not required to be further verified regarding their immigration status other than signing a Declaration of Eligible Immigration Status, and providing a proof of age document.

For noncitizens who are in this country on a visa, and are not immigrants: There is an appropriate place on the Verification Consent Form for them to sign stating that they do not claim to have eligible immigrations status and are not therefore eligible for assistance.

Verification Delay: HAMC will not delay or terminate the family's assistance if the family submitted its immigration information in a timely manner but the Department of Homeland Security verification or appeals process has not been completed. In addition, if at least one family member has submitted the required documentation to HAMC in a timely manner, and the family comes to the top of the waiting list, HAMC will offer the unit and provide prorated assistance based upon those family members who submitted their documentation on time. Prorated assistance will continue until the remaining family members submit the required documentation. Once HAMC completes the verification process, it will do one of the following:

- Provide full assistance if all of the family members establish citizenship or eligible immigration status.
- Continue to provide prorated assistance if any of the family members are ineligible based upon citizenship or immigration status OR

**Temporary Deferral of Termination of Assistance.**

If the family does not accept an offer of prorated assistance, then HAMC will offer a temporary deferral of termination of assistance in order to provide the family with time to find alternative housing. The initial deferral period is six (6) months and may be extended for a maximum of two additional six (6) month periods. At least sixty (60) days before the termination of each deferral period, HAMC will notify the family if they qualify for another deferral."

**5.9 Eligibility under the Student Rule**

On November 30, 2005, Congress enacted Public Law 109-115, which included in Title III, Section 327, appropriations for HUD regarding eligibility of students for assisted housing under Section 8. Owners are required to determine a student's eligibility for Section 8 assistance at move-in, annual recertification, initial certification (when an in-place tenant begins receiving Section 8), and at the time of an interim recertification if one of the family composition changes reported is that a household member is enrolled as a student. HAMC will use the following HUD guidelines as indicated in Chapter 3 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1.

**Students Who are NOT Eligible for Section 8 Assistance**

According to Section 327(a) of the law, Section 8 assistance shall not be provided to any individual who:

- Is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential; and
- Is under the age of 24; and
- Is not married; and
- Is not a veteran of the United States Military; and
- Does not have a dependent child; and
- Is not a person with disabilities, as such term is defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving section 8 assistance as of November 30, 2005); and

- Is not living with his or her parents who are receiving Section 8 assistance; and
- Is not individually eligible to receive Section 8 assistance and has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance.

\*NOTE: Unless the student can demonstrate his or her independence from parents, the student must be eligible to receive Section 8 assistance and the parents (individually or jointly) must be eligible to receive Section 8 assistance in order for the tenant to receive Section 8 assistance.\*

### **Defining Independent Student**

If an individual can prove independence from his/her parents, therefore meeting the handbook definition of "independent student," and does not meet any of the criteria in Section 327(a) above, but is otherwise eligible for assistance, the student would be eligible to move into a HAMC property and receive assistance. Non-tuition financial assistance would be counted as income unless the student is over 23 with a dependent child.

For a student to be eligible independent of his/her parents (where the income of the parents is not relevant), the student must demonstrate the absence of, or his/her independence from his/her parents. The student must meet, at a minimum, **all** of the following criteria to be eligible for Section 8 assistance. The student must:

- Be of legal contract age under state law;
- Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy, or Meet the U.S. Department of Education's definition of an independent student, as indicated in the handbook Glossary);
- Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and
- Obtain a certification of the amount of financial assistance that will be provided by parents, signed by the individual providing the support. This certification is required even if no assistance will be provided.

### **Defining Student Financial Assistance Income**

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition is included in annual income, except if the student is over the age of 23 with dependent children or if the student is living with his or her parents who are receiving Section 8 assistance. (See the Glossary of HUD Handbook 4350.3 REV-1 for an expanded definition of Student Financial Assistance.)

### **Protection from Eviction**

HAMC will not evict or require an ineligible student to move from a unit as long as the student is paying market rent and is in compliance with the terms of the lease.

## **5.10 Verifying Information**

The applicant must agree to furnish any information required to verify eligibility for rental assistance including all sources of income, assets, and certain expenses. Applicants are hereby informed that, by law, the penalties for false information may include eviction, loss of assistance, fines up to \$10,000, and imprisonment up to five years. The applicant must understand that a final decision of eligibility cannot be made until all verifications are complete. In addition, the applicant must understand that HUD has the right to compare any of the information supplied in the verifications with information that federal, state, or local agencies have on the family's income and household composition. HAMC must explain all program requirements to applicants, including the following verification procedures:

**Individual Verification Consent Forms**

In addition to the Authorization for Release of Information and the appropriate Consent Forms indicated earlier, applicants must sign Individual Verification Forms that have been designed by HAMC for obtaining documentation from third parties, to verify an applicant's income and deductions for determining the rent.

**Verification Documentation**

Documentation used as part of the verification process may include checklists completed and signed by the applicant, verification forms completed and signed by third parties, dated notes of interviews with third parties whether by phone or in person, documents provided by family members, or affidavits/certifications supplied by the applicant.

HAMC will make the final determination of the credibility of any verification submitted by an applicant.

**Preferred Forms of Verification**

Verifications must be attempted in the order indicated below. Each file will be documented to show that HAMC attempted to obtain third party written documentation before relying on some less acceptable form of information.

- Third party written;
- Third party oral with a record kept in the file;
- Review of documents provided by the family, or
- Affidavits from the family.

**Verifying Zero Income**

If an applicant reports zero income on an application, HAMC will advise her/him that if they are still at zero income when they come to the top of the Waiting List, they will be asked to fill out a questionnaire prepared by HAMC stating their source of necessary living items that are not covered by Food Stamps or other federal assistance sources. After 90 days at zero income, and for every 90-day period thereafter, the resident may be re-certified to determine if they have begun to receive any type of income. If a resident goes through four 90-day periods at zero income, HAMC may make a visit to the dwelling unit to determine the likelihood of the resident's report. If the resident is found to have a car, a telephone, cable television, cigarettes, disposable diapers, or other evidence of some form of income, the applicant may be asked to explain the source of income supporting cash expenditures when zero income has been reported. A Family Budget or Statement of Financial Responsibility may be required from the applicant. Investigations may include ordering a credit report on the resident after proper notice is given.

**Attempted Fraud**

Any information provided by the applicant that is later proven to be untrue by verification may be used to disqualify the applicant for admission on the basis of attempted fraud. Fraud is defined in Par 8-13 A of the HUD handbook 4350.3 Rev. 1 as an applicant/resident knowingly providing inaccurate or incomplete information. Unwitting errors that do not secure an advantage with regard to program eligibility, preferences, or rent will not be used as a basis to exclude applicants. HAMC considers false information about the following items to be grounds for rejecting an applicant:

- Income, assets, family composition, Social Security numbers, allowances; and
- Previous resident or criminal history

## Asset Limitations

Link: [24 CFR 5.100; 5.603; and 5.618](#)

In accordance with Housing Opportunity Through Modernization Act of 2016 (HOTMA) sections 102 and 104 and detailed in the final rule published in Federal Register Notice 88 FR 9600 on February 14, 2023 (H Notice 2023-10), a family is out of program compliance with the asset limitation if they have either of the following:

- Net family assets exceed \$100,000, as adjusted annually for inflation.
- Real property that is suitable for occupancy. Families are out of compliance if they have a present ownership interest in, a legal right to reside in, and the effective legal authority to sell a property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence.

See Section 6.13 for Exemptions to the Real Property Restriction in the Asset Limitation

### 5.11 Real Property, Personal Property, Other Capital Investments

In determining the value of personal property held as an investment, the HAMC will use the family's estimate of the value.

For Real Property, HAMC will use the payoff amount for the mortgage to calculate equity. If the payoff amount is not available, HAMC will use the loan balance.

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 personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

### 5.12 Exemptions to the Real Property Restriction in the Asset Limitation

The real property restriction does not apply to the following:

1. Any property jointly owned by a family member and another individual who does not live with the family but who resides at the jointly owned property. See [24 CFR § 5.618\(a\)\(1\)\(ii\)\(B\)](#).
2. Any property owned by a family that includes a person who is a victim of domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in 24 CFR Part 5 (Subpart L). For example, if the victim is a minor, the real property limitation does not apply to any property owned by the victim's parent or guardian. When a family requests an exemption from the real property limitation on this basis, the HAMC must accept self-certification and follow the confidentiality and documentation-request requirements established at 24 CFR § 5.2007. See [24 CFR § 5.618\(a\)\(1\)\(ii\)\(C\)](#).
3. Any property that the family is offering for sale. Documentary evidence of the sales process could include, for example, a contract with a real estate agent or a current real estate listing. See [24 CFR § 5.618\(a\)\(1\)\(ii\)\(D\)](#).



**Legal Right to Reside in the Real Property**

The real property restriction applies only when the family has the legal right to reside in the real property. Whether a family has the legal right to reside in a property may be dependent on state and local law. The family may own real property that legally they may not reside in. For example, the family may own a commercial property, such as a convenience store or other retail establishment, which cannot be occupied as a place of residence by the family. Families who claim they lack the legal right to reside in the real property must provide evidence to support their claim(s). What constitutes sufficient evidence will vary by circumstance.

**Effective Legal Authority to Sell the Real Property**

The real property restriction applies only when the family has the effective legal authority to sell the real property, based on the laws of the state or locality in which the property is located. There may be multiple reasons why a family does not have such legal authority. For example, when families are contesting ownership of a property in court, or an individual is in divorce proceedings, they may be unable to sell the property until the completion of those proceedings. Someone who owns heirs' property may not have the authority to sell until others' claims to fractional ownership have been settled. Families who claim they lack the legal authority to sell the real property must provide evidence to support their claim(s). What constitutes sufficient evidence will vary by circumstance. For example, a divorce pleading or complaint may demonstrate that there are actual divorce proceedings occurring.

**5.13 Suitability of Real Property for Occupancy**

A property will be considered suitable for occupancy unless the family demonstrates that the real property meets one of the following five conditions ([24 CFR § 5.618\(a\)\(2\)](#)):

1. The property is not capable of meeting the disability-related needs of all members of the family (e.g., does not meet physical accessibility requirements, family has disability-related need for additional bedrooms, family needs proximity to accessible transportation). Documentary requirements to establish disability-related needs must comply with applicable fair housing and civil rights requirements.

2. The property is not sufficient for the size of the family.

**HAMC Policy**

The HAMC occupancy standards will be used for such a determination.

3. The property is geographically located so that it creates a hardship for the family (e.g., the distance or commuting time between the property and the family's place of work or school would place a hardship on the family, as determined by the HAMC).

**HAMC Policy**

To be considered a hardship under this category, the property must be more than 100 miles away from the family's rental unit, but will consider the specific circumstances of the family, including information provided by the family, in making a determination. Distance or commute time to school/work are illustrative, but not exhaustive, examples of geographic hardships.

4. The property is not safe to reside in because of its physical condition (e.g., the property's physical condition poses a risk to the family's health and safety and the condition of the property cannot be easily remedied). Unsafe property conditions could include external circumstances or environmental factors outside the control of the family. The property may be deemed not suitable for occupancy if the alterations that would be needed to make it safe to live in are cost prohibitive.
5. The family does not have the legal right to reside in the property.

#### **5.14 Unreimbursed Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses Deduction**

Health and medical care expenses, as defined in 24 CFR § 5.603, include costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed. Medical insurance premiums continue to be eligible for health and medical care expenses. However, health and medical care expenses may be deducted from annual income only if they are eligible and not otherwise reimbursed and may only be deducted for elderly or disabled families.

HAMC must review each expense to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses.

The sum of unreimbursed health and medical care and reasonable attendant care and auxiliary expenses that exceed 10 percent of the family's annual income can be deducted from annual income.

#### **5.14 Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses**

Auxiliary apparatus items can include, for example, expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read, or type or special equipment to assist a person who is deaf or hard of hearing. Some examples of attendant care expenses can include teaching a person with disabilities how to perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day.

In order to claim the deduction for the cost of unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed. If the unreimbursed reasonable attendant care and auxiliary apparatus expense exceeds the amount earned by the person who was enabled to work, the deduction will be capped at the amount earned by that individual.

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 HAMC will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. 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.

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

### **Both Medical and Disability Expenses**

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HAMC will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

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

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.

### **Phased-In Relief**

The statutory increase in the threshold to receive unreimbursed health and medical care and reasonable attendant care and auxiliary apparatus expense deductions from annual income. All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual reexamination or interim reexamination, whichever occurs first after the date on which HAMC implements the phased-in relief.

Families who receive phased-in relief will have eligible expenses deducted that exceed 5 percent of annual income for 12 months. Twelve months after the 5 percent phase-in began, families will have eligible expenses deducted that exceed 7.5 percent of annual income for the immediately following 12 months. After the family has completed the 24 months phase-in at the lower thresholds, as described above, the family will remain at the 10 percent threshold, unless the family qualifies for relief under the general hardship relief provision.

When an eligible family’s phased-in relief begins at an interim reexamination, the HAMMC will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction. The following table demonstrates when the phased-in relief will begin and increase every 12 months during the 24-month phase-in period.

**Timing Table**

<b>Phased-in Relief Timing</b>	<b>In Excess Threshold Percentage for Families Receiving the Health and Medical Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expense Deduction as of 1/1/2024</b>	<b>Reexamination Type</b>
First annual reexamination or interim reexamination, whichever occurs first on or after the date on which the HAMC implements the phased-in relief	5 percent	Annual or Interim Re-examination
Twelve months after the 5-percent phase-in began	7.5 percent	Annual or Interim Re-examination. If no, Interim Reexamination is triggered, HAMC will process a non-interim transaction
Twelve months after the 7.5-percent phase-in began	10 percent	Annual or Interim Re-examination. If no, Interim Reexamination is triggered, HAMC will process a non-interim reexamination transaction

HAMC will track the 24-month phase-period for each eligible family, even if a family’s expenses go below the appropriate phase-in percentage, during the first or second 12-month phase-in period. The phase-in must continue for families who move with continued assistance in the HCV program or port to another PHA. The phase-in must also continue for families who transfer internally to another unit within the same Multi-family housing property. The family must receive phased-in relief if they are determined to be eligible as of January 1, 2024.

The table on the following page describes the potential phased-in relief outcomes based on a family’s status in PIH and MFH programs:

**Phased-in Relief Outcomes According to Family’s Status in Program for Multifamily Housing Program**

<b>Family’s Status in Program</b>	<b>Is Family Receiving Phased-in Relief?</b>	<b>Outcome of Phased-in Relief</b>	<b>Required Documentation</b>
Family’s assistance is terminated in any program.	Yes	Phased-in relief ends upon termination. When readmitted, family’s expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by the HAMC.	N/A. No documentation of phased-in relief is needed
Housing Choice Voucher: Family moves with continued assistance in the HCV program with the same PHA or ports to a new PHA. MFH: Family transfers units within the same MFH property and are not treated as a new admission.	Yes	Families must continue to receive the phased-in relief. The family will receive the remaining calendar months of the percentage phase-in in their new unit.	The HAMC will use the existing phase-in documentation to determine the remaining calendar months of the percentage phase-in.
Family is treated as a new admission under a different property/program (e.g., family moves from one MFH property to another MFH property, etc.).	Yes	Unless the HAMC has a written policy to continue the phased-in relief upon admission, the family’s expense deduction will be calculated using the 10-percent threshold unless request for general relief is approved by HAMC.	If the HAMC elects to continue the phased-in hardship relief, then the following documentation is required: Copy of forms HUD–50058 or 50059 from the family showing phased-in relief. If the forms are unavailable, then the HAMC may obtain self-certification from family declaring effective date of 5-percent or 7.5-percent phase-in. The HAMC must document in the file the reason that the forms HUD-50058 or 50059 were unavailable.
Unit in which family resides converts to PBV or PBRA funding under the Rental Assistance Demonstration.	Yes	Families must continue to receive the phased-in relief. The family will receive the remaining calendar months of the percentage phase-in in their new unit.	Copy of forms HUD–50058 or 50059 from the family showing phased-in relief. If the forms are unavailable, then the HAMC may obtain self-certification from family declaring effective date of 5-percent or 7.5-percent phase-in. The HAMC must document in the file the reason that the forms HUD-50058 or 50059 were unavailable.

**HAMC Policy**

HAMC will continue the phased-in hardship relief for families who were eligible for relief as of January 1, 2024, and who are treated as new admissions under a different program. As a result, the family’s expense deduction will be calculated at the 10-percent threshold unless general relief is requested and approved by HAMC.

**General Relief**

To receive general relief, a family must demonstrate that the family’s unreimbursed health and medical care expenses or unreimbursed reasonable attendant care and auxiliary apparatus expenses increased, or the family’s financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

Relief is available regardless of whether the family previously received an unreimbursed health and medical care expense deduction, unreimbursed reasonable attendant care and auxiliary apparatus expense deduction, are currently receiving phased-in hardship relief, or were previously eligible for either this general relief or the phased-in relief.

If HAMC determines that a family is eligible for general relief, the family will receive a deduction for the sum of the eligible expenses that exceed 5 percent of annual income. The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. However, HAMC may, pursuant to their own discretionary policy, extend the relief for one or more additional 90-day periods while the family's hardship condition continues.

### **HAMC Policy**

With regard to General Relief, HAMC may consider the following circumstances for a family's request for financial hardship and when such deductions may be eligible for additional 90-day extensions:

- The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits.
- The family's income decreased because of a loss of employment, death of a member, or due to a natural or federal/state declared disaster.

HAMC will not conduct an interim reexamination to add, remove, or to extend a hardship exemption, unless another change experienced by the family triggers an interim reexamination under the applicable regulation or as listed above (General Relief) on conducting interim reexaminations for adjusted income decreases that are less than ten percent. Instead, the HAMC will process and submit a non-interim reexamination transaction

In accordance with Section 16.3 Interim Certifications, all families must notify the HAMC of any changes within 10 calendar days of changes including but not limited to family size or composition, income (e.g., Employment, other income), assets (e.g., checking and savings accounts) contact information (phone number, email address). This reporting deadline includes families reporting circumstances that made the family eligible for the hardship exemption are no longer applicable.

## **5.15 Implementation of Hardship Exemption**

### **Child-Care Expenses Deduction and Hardship Exemption to Continue Child-Care Expenses Deduction**

Under 24 CFR § 5.611(d), any reasonable child-care expenses necessary to enable a member of the family to be employed or to further their education are deducted from income. Reasonable child-care expenses are defined in 24 CFR § 5.603(a) and are expenses for the care of children (including foster children if the unreimbursed child-care expenses are paid from the family's annual income and not from another source, such as a stipend from the child welfare agency), under 13 years of age, when all the following statements are true:

- The care is necessary to enable a family member to be employed or to further his or her education (e.g., work, look for work, or further their education (academic or vocational)); and
- The expense is not reimbursed by an agency or individual outside the household.

The amount deducted must not exceed the amount of employment income that is included in annual income.

A family whose eligibility for the child-care expense deduction **is ending** may receive a hardship exemption to continue receiving a child-care expense deduction in certain circumstances when the family no longer has a member that is working, looking for work, or seeking to further their education, and the deduction is necessary because the family is unable to pay their rent.

When a family requests a hardship exemption to continue receiving a child-care expense deduction that is ending, the HAMC must recalculate the family's adjusted income and continue the child-care deduction if the family demonstrates to the HAMC's satisfaction that the family is unable to pay their rent (Policy for Determination of the Family's Inability to Pay Rent) because of loss of the child-care expense deduction and the child-care expense is still necessary even though the family member is no longer working, looking for work, or furthering their education. The hardship exemption and the resulting alternative adjusted income calculation must remain in place for a period of up to 90 days. The HAMC, at their discretion, may extend such hardship exemptions for additional 90-day periods based on family circumstances.

To initiate, extend or conclude a hardship exemption, HAMC will submit a non-interim transaction code on form HUD-50059, unless there is an accompanying event that triggers an interim reexamination.

### **HAMC Policy**

In accordance with Section 16.3 Interim Certifications, all families must notify the HAMC of any changes within 10 calendar days of changes including but not limited to reporting deadline includes families reporting circumstances that made the family eligible for the hardship exemption are no longer applicable.

### **Policy for Determination of the Family's Inability to Pay Rent**

A "hardship" means a family is unable to pay rent, and as a result triggering eligibility for a hardship exemption.

### **HAMC Policy**

HAMC defines the following as an eligible hardship:

- HAMC determines that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) is more than 45 percent of the family's adjusted income.
- 3<sup>rd</sup> Party Verification was provided that demonstrate the household has experienced unanticipated expenses, such as the following that have affected their ability to pay their rent:
  - The family's sole source of income is earned income from employment and the recipient is placed on unpaid medical leave for more than 30 days.
  - Large, excessive medical bills
  - Large, excessive funeral costs for immediate family members

### **Family Notification of Hardship Exemption**

HAMC will provide 60-Day notification to families in writing of the change in the determination of adjusted income and the family's rent resulting from the application of the hardship exemption. The written notice will also inform the family of the dates that the hardship exemption will begin and expire and the requirement for the family to report to the HAMC if the circumstances that made the family eligible for relief are no longer applicable. Finally, the notice will also state that the family's adjusted income and tenant rent will be recalculated upon expiration of the hardship exemption.

**Family Notification of Hardship Exemption Denial**

HAMC will promptly notify families in writing if they are denied either an initial hardship exemption or an additional 90-day extension of the exemption. The notification will specifically state the reason for the denial.

**Family Notification of Hardship Exemption Termination**

HAMC will notify the family if the hardship exemption is no longer necessary and will be terminated because the circumstances that made the family eligible for the exemption are no longer applicable. The notice will state the termination date and provide 30 days' notice of a rent increase, if applicable.

**Extension of Hardship Exemption for Additional 90-Day Period(s)**

HAMC may at their discretion extend hardship exemptions for additional 90-day periods if the hardship continues pursuant to the HAMC's hardship policies. This provision applies to families receiving hardship exemptions for the child-care expense deduction and general hardship relief for health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.

HAMC will obtain third-party verification of the family's inability to pay rent or must document in the file the reason that third-party verification was not available. HAMC will attempt to obtain third-party verification prior to the end of the 90-day period.

**HAMC Policy**

HAMC will only consider the following as an eligible hardship exemption extended event:

- The family's sole source of income is earned income from employment and the recipient is placed on unpaid medical leave for more than 30 days.

HAMC will not consider the following as an eligible hardship exemption extended event:

- Large, excessive medical bills
- Large, excessive funeral costs for immediate family members

If the family can demonstrate that a hardship exists beyond 90 days, the family must:

1. Notify HAMC within 30 days of the hardship exemption termination date and provide verification of the same.
2. If the extension is verified HAMC will provide notification to the family as listed in this section.

**Additional (Permissive) Deduction**

HAMC does not have additional permissive deductions.

**Allowable Childcare Activities and Expenses**

For school-age children under 13 years of age, costs attributable to public or private school activities during standard school hours are not considered allowable childcare expenses. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of childcare.

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



If a childcare provider also renders other services to a family or childcare is used to enable a family member to conduct activities that are not eligible for consideration, the HAMC will prorate the costs and allow only that portion of the expenses that is attributable to childcare for eligible activities. Unless otherwise specified by the childcare provider, the calculation will be based upon the number of hours spent on each activity and/or the number of persons under care.

Childcare expenses will be considered for the time required for the eligible activity plus reasonable transportation time.

For childcare 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 childcare costs, the HAMC will use the schedule of childcare costs from the local welfare agency. Families may present, and the HAMC will consider, justification for costs that exceed typical costs in the area.

### **Seeking Work**

If the childcare 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 re-certification. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed by the HAMC.

### **Furthering Education**

If the childcare 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 childcare claimed.

### **Being Gainfully Employed**

If the childcare 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 childcare is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

When the childcare 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 HAMC generally will limit allowable childcare 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.

**Hardship Exemptions for Health and Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses**

The threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses is an excess of 10 percent of annual income. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income. In order to claim unreimbursed health and medical care expenses, the family must have a head, co-head, or spouse that is elderly or a person with a disability. In order to claim unreimbursed reasonable attendant care and auxiliary apparatus expenses, the family must include a person with a disability, and the expenses must enable any member of the family (including the member who is a person with a disability) to be employed.

To initiate, extend, or conclude a hardship exemption only, HAMC will process and submit a non-interim reexamination transaction. Families may be eligible for relief under one of two categories; phased-in relief or general relief. A family receiving phased-in relief may request to receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

**Determination of Hardship**

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

**HAMC Policy**

The HAMC defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days. Assistance that would qualify for a hardship exemption or minimum rent waiver include: federal, state or local assistance (such as TANF, Cash Assistance, etc.).

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 \$50.			
Family Share – No Hardship		Family Share – With Hardship	
\$0.....	30% of monthly adjusted income	\$0.....	30% of monthly adjusted income
\$15.....	10% of monthly gross income	\$15.....	10% of monthly gross income
N/A.....	Welfare Rent	N/A.....	Welfare Rent
\$50.....	Minimum Rent	\$50.....	Minimum Rent
Minimum rent applies. TTP = \$50		Hardship exemption granted. TTP = \$15	

**HAMC Policy**

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

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

**No Financial Hardship**

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

**PHA Policy**

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

**Temporary Hardship**

If the HAMC determines that a qualifying financial hardship is temporary, the HAMC 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.

**HAMC Policy**

The HAMC will enter into a repayment agreement in accordance with the procedures found in Chapter 12.10 of this plan.

**Long-Term Hardship**

If the HAMC determines that the financial hardship is long-term, the HAMC 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.

**HAMC Policy**

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

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

**5.16 Assets**

Asset requirements in 24 CFR §§ 5.603 and 5.609 apply to HCV (including Project-Based Vouchers and Multi-Family Programs (HUD 202, PBRA, PRAC)).

**Determining Net Family Assets**

Net family assets are defined as the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded by HUD.

**Assets with negative equity**

The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

**Assets disposed of for less than fair market value.**

In determining the value of net family assets, HAMC must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.

**Asset owned by business entity.**

If a business entity (e.g., limited liability company or limited partnership) owns the asset, then the family's asset is their ownership stake in the business, not some portion of the business's assets. However, if the family holds the assets in their own name (e.g., they own one third of a restaurant) rather than in the name of a business entity, then the percentage value of the asset owned by the family is what is counted. Toward net family assets (e.g., one-third of the value of the restaurant).

**Jointly owned assets.**

For assets jointly owned by the family and one or more individuals outside of the assisted family, HAMC must include the total value of the asset in the calculation of net family assets, unless the asset is otherwise excluded by HUD, or unless the assisted family can demonstrate that the asset is inaccessible to them, or that they cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the family demonstrates that they can only access a portion of an asset, then only that portion's value shall be included in the calculation of net family assets for the family.

**Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (as adjusted for inflation):** For a family with net assets equal to or less than \$50,000, the HAMC may accept the family's declaration that it has net assets equal to or less than \$50,000, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount will be included in the family's income. The HAMC will verify asset value no less often than every 3 years.

**Exclusions from Net Family Assets: Required exclusions from net family assets include the following:**

- The value of necessary items of personal property.
- The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation
- The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this include but are not limited to: co-ownership situations (including situations where one owner is a victim of domestic violence), where one party cannot unilaterally sell the real property; property that is tied up in litigation; inherited property in dispute
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family being a person with disabilities
- The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of such Code; and the amounts in, contributions to, and distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code.
- The value of any "baby bond" account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults).
- Interests in Indian trust land.
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982.
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982.
- Family Self-Sufficiency accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.
- The full amount of assets held in an irrevocable trust.
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.

**CHAPTER 6: QUALIFYING FOR ADMISSION UNDER HUD’S PROJECT ELIGIBILITY REQUIREMENTS**

**6.1 Defining Project Eligibility**

Project Eligibility establishes whether applicants are eligible to reside in the specific property to which they are applying. The Occupancy Standards listed below take into consideration not only type, but also household size and what unit sizes are available at HAMC. It is possible that a household might be eligible for subsidy under HUD’s requirements, but would not be eligible under the unit size requirements of this particular property.

**6.2 Waiting List Application Update**

Waiting List Update Requirement

By completing a waiting list application, applicant must confirm that they will update their application every 60-days. The applicant understands that their application must be updated every 60 days online by login into their account and completing the Application Update step. Applicants who do not apply online must provide written applications updates in writing. If there are no application changes, the applicant may document "No" to the question "Have you made any changes to your application today?" and provide an application update date stamp. Failure to provide an application update every 60 days will result in the automatic removal of the Wait List application.

**6.3 Occupancy Standards**

Occupancy Standards is the minimum and maximum number of occupants residing in a unit. When applying to HAMC, the appropriately sized unit must be in the unit configuration within the development. Units are assigned according to household size and composition. If the appropriate unit size is not available at the time of application, the applicant will be put on a waiting list. To avoid overcrowding, and in order to be consistent, we have adopted the following occupancy standards:

<b>Bedroom</b>	<b>Minimum</b>	<b>Maximum</b>
1	1	3
2	2	5
3	3	7
4	4	9

**6.4 Defining Persons with Disabilities**

1. Any adult having a physical, mental, or emotional impairment that is expected to be of long- continued and indefinite duration, substantially impedes his or her ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions.
2. A person with a developmental disability, as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(8)), i.e., a person with a severe chronic disability that:
  - Is attributable to a mental or physical impairment or combination of mental and physical impairments;
  - Is manifested before the person attains age 22;
  - Is likely to continue indefinitely;
  - Results in substantial functional limitation in three or more of the following areas of major life activity:
    - Self-care,
    - Receptive and expressive language,
    - Learning,
    - Mobility,
    - Self-direction,

- Capacity for independent living, and
  - Economic self-sufficiency; and
  - Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.
3. A person with a chronic mental illness, i.e., a person who has a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently, and whose impairment could be improved by more suitable housing conditions.
  4. Persons infected with the human acquired immunodeficiency virus (HIV) who are disabled as a result of infection with the HIV are eligible for occupancy in the Section 202 projects designed for the physically disabled, developmentally disabled, or chronically mentally ill depending upon the nature of the person's disability. (24 CFR 891.505)

Note: A person whose sole impairment is alcoholism or drug addiction (i.e., who does not have a developmental disability, chronic mental illness, or physical disability that is the disabling condition required for eligibility in a particular project) will not be considered to be disabled for the purposes of the Section 202 program.

5. A person infected with the human acquired immunodeficiency virus (HIV) and a person who suffers with alcoholism or drug addition, provided they meet the definition of "person with disabilities" in Section 811 (42 U.S.C) 8013(k)(2). A person whose sole impairment is a diagnosis of HIV positive or alcoholism or drug addiction (i.e., does not meet the qualifying criteria in Section 811 will not be eligible for occupancy in a section 811 project. (24 CFR 891.305)

## **6.5 Assigning Units for Persons with Physical Disabilities**

HAMC will always give a family that has indicated a need for certain unit accommodations because of a disability, the opportunity to benefit from the HUD program in place. HAMC asks the family to decide for itself, in compliance with Section 504 of the Rehabilitation Act, whether a unit meets the needs of the family. HAMC will notify the household whenever any unit becomes available, without regard to unit accessibility. HAMC will never prohibit an eligible family with a member who has a disability from accepting a suitable non-accessible unit if no accessible unit is available when the family reaches the top of the waiting list. If the applicant decides to accept a standard unit, s/he may request some modification to the unit as a reasonable accommodation.

## **6.6 Assigning Accessible Units**

If a unit becomes available that has either been made accessible under Section 504, or was originally designed for disabled households when HAMC was approved for funding, HAMC will first offer the unit to an individual with disabilities who is currently residing in a non-accessible unit who requires the features of the unit. If there is no such current resident, HAMC will offer the unit to the next qualified applicant on the waiting list who needs the features of the accessible unit.

When neither a current resident nor a qualified applicant require the features of an available accessible unit, HAMC will offer the unit to another resident or applicant, and will incorporate as an addendum to the lease an agreement that the resident will move to a non-accessible unit within HAMC when one becomes available. This addendum will also cover whether the resident or HAMC will pay for the cost of such a move.

## **6.7 Reasonable Accommodation**

HAMC will consider requests for reasonable accommodations from applicants/residents with disabilities, in order that they may benefit from the use and enjoyment of the dwelling units. The applicant/resident must be able to show that the requested accommodation is necessary, and that there is a strong, identifiable relationship between the requested accommodation and the individual's disability.

If a household requests an accessible feature, policy modification, or other reasonable accommodation, HAMC will provide the requested accommodation unless doing so would result in a fundamental alteration in the nature of the program, or an undue financial and administrative burden. A fundamental alteration is a modification that is so significant that it alters the essential nature of the operations of the HAMC property.

## **6.8 Policy for Unit Transfers**

### **Requests from Residents**

Once an applicant has become a resident, a transfer of units may be warranted. If a resident has an increase in family size, or has a medical/health condition that warrants a larger unit or a unit that has special design features for a person with disabilities, a transfer may be requested. On occasion there may be other requests for transfers that HAMC will consider on a case-by-case basis. All transfer requests must be made in writing, and must state the reason for the request. The request will then be forwarded to HAMC manager/owner for final approval.

### **Requirement by Owner**

On occasion an owner may require a resident to transfer to a smaller unit size. This may occur when the family composition decreases and the family no longer qualifies for the unit size in which they are dwelling. If a unit of appropriate size is not available, HAMC will not evict the family and will not increase the family's rent to the market rent. However, if an appropriately sized unit is available and the family refuses to move, the family may stay in their current unit and pay the HUD-approved market rent. HAMC may evict the family if the family fails to pay the market rent in accordance with the lease.

### **Acceptable Reasons for Transfers**

Current residents may qualify for a unit transfer for one of the following conditions:

- Emergency Transfers, such as in the case of VAWA or displacement
- Medical/health conditions, including inability to use stairs, or the need for a live-in attendant;
- Family size increases or decreases, or composition changes;
- There is a need for a unit with special design features for a person with disabilities; or
- Other potential conditions not related to health, which will be reviewed on a case-by-case basis by Management.

## **6.9 Emergency Transfers**

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD regulation as eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan under Part VI.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

EMERGENCY TRANSFERS are mandatory when HAMC determines that conditions pose an immediate threat to resident life, health or safety. Emergency transfers may be made to: permit repair of unit defects hazardous to life, health, or safety; alleviate verified disability problems of a life threatening nature; or protect members of the household from attack by the criminal element in a particular property or neighborhood.

THESE TRANSFERS SHALL TAKE PRIORITY OVER NEW ADMISSIONS.



It is unlikely that HAMC will have the time or resources to immediately transfer a tenant. Under such circumstances, if an appropriate unit is not immediately available, HAMC will find alternate accommodations including partnering HAMC properties for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit (on-site or off-site) is completed. Emergency transfers will be handled immediately, on a case-by-case basis.

#### **Placement on Transfer Waiting List**

If the HAMC manager approves a request for a transfer to a different unit, and there is no current unit available, the resident will be placed on the HAMC transfer waiting list. In-house residents that must be transferred due to displacement or overcrowding will be transferred first. Residents needing transfers due to medical reasons must have a written statement from a health care provider.

#### **Procedures for Filling Vacancies**

If a request for a transfer to a different unit is approved, the resident agrees to pay all transfer costs prior to the move. Costs may include damages that are beyond normal wear and tear. However, if a resident is transferred as an accommodation to a household member's disability, then HAMC may be obligated to pay the costs associated with the transfer as discussed under Section 504 of the Rehabilitation Act of 1973 of Chapter 2 of HUD Handbook 4350.3 REV-1.

#### **Priority for Filling Vacancies**

HAMC will fill its vacant units with current residents awaiting transfers before applicants from HAMC waiting list. Unit transfers that are required by management will take priority over resident requested transfers.

### **6.10 Admission Preferences**

#### **Elderly Election**

HAMC has not made an election to give preference for the elderly as allowed under Title VI, Subtitle D of the Housing and Community Development Act of 1992, and as explained in HUD Handbook 4350.3 REV-1, Par 3- 18.

#### **Households Experiencing Homelessness**

The following is for properties associated with HUD Contract #AZ99RD0001 only, for a list of properties see Section 3.7. See appendix A for additional information.

Casa Bonitas is adding a preference to all of the HUD-assisted housing pursuant to HUD Notice 2013-21 to establish a preference for homeless households referred by the Maricopa County/Phoenix HUD-funded Continuum of Care and who meet the following definition of homelessness:

- HEARTH Act Category 1 and Category 4
- An individual or family who is eligible for services to the homeless as provided by the Maricopa County/Phoenix Continuum of Care and service provider partners, a homeless referral organization.

This preference will include the following:

1. It will be implemented when approved by HUD and effective 30 days from a notification letter to persons on the wait list.
2. The current waiting list for each property will be maintained consistent with HUD 4350.3 guidelines and the property's Affirmative Fair Housing Market Plan (AFHMP).
3. Current people on the waiting list will be notified of the additional preference and how they may apply for the preference. They will be granted a first right to an available unit under the preference should they meet the definition of "homeless." Notice to persons on the waiting list will be done by mail thirty (30) days prior to adoption of the preference.

4. Upon unit turnover, one in every three (3) vacancies will be offered to a household experiencing homelessness and meets the above definition of homelessness up to 10% of the assisted units at the property.
5. Referrals for available units will be accepted from the \_Maricopa County/Phoenix HUD-Funded Continuum of Care (CoC) and their service provider partners pursuant to paragraph V (d) of HUD Notice 2013-21. All applicants must comply with current requirements for applicants at the specific property, including income, age, and criminal/credit screening. Applicants who are denied will be provided with the basis of the denial in writing and offered the opportunity to establish if they are eligible for reasonable accommodation under the Fair Housing Act.
6. If an appropriate candidate is not identified after four (40) referrals received within 7 business days from the selected referral agency for an available turnover unit then the unit will revert back to its standing waiting list to fill the vacancy.
7. This preference can be amended as needed and/or removed with proper notification of such to all affected parties, including written notification to HUD.

### **6.11 Local Program Preferences**

Local Program Preferences can only be assigned to existing program or HAMC partnering participants who qualify under a local program condition. HAMC will verify the preference prior to the applicant being added to the waiting list for processing of final eligibility. Verification must confirm that the applicant qualified for the preference(s) at the time of initial waiting list placement. If the applicant is determined to be ineligible for the preference, they cannot be placed on the waiting list. Local Program Preferences and verification date and time will be used to rank the applicant.

HAMC will provide local program preferences to existing program participants only for: Displacement Due to HAMC Action (DDHA) - In-place residents who will be displaced due to renovation/construction/demolition of HAMC owned units. Acceptable Verification: A fully executed Alternative Housing Option Offer.

For displaced families and individuals who are eligible for Housing Choice Voucher (HCV), Project Based Rental Assistance (PBRA), Project Based Vouchers shall be a priority to relocate to a suitable, decent, safe, and sanitary dwelling unit in a HUD-owned multifamily project, in a public housing project, or in another HUD subsidized rental housing project including partnering or co- managed projects.

### **6.12 Compliance at Admission**

With respect to any Multifamily Housing (MFH) program, this includes all programs listed in Chapter 3, HAMC must enforce the asset limitation at initial certification for families who lost their assistance because they failed to recertify timely or began to pay market rent, remained in the unit, and then lost income, once again requiring assistance.

## CHAPTER 7: QUALIFYING FOR ADMISSION UNDER HAMC'S STANDARDS

### 7.1 Property Standards for Bedroom Size

Being eligible for federal rental housing is not an entitlement. Every applicant must meet the resident selection criteria set in place at HAMC. These standards are used to demonstrate the applicant's suitability as a resident. They are determined by verifying information on past behavior to document the applicant's ability, either alone or with assistance, to comply with essential lease provisions and any other rules governing tenancy.

### 7.2 Two Persons Plus One per Bedroom

HAMC has adopted a bedroom size standard of two plus one person per bedroom (please see chart in Section 6.3). This standard serves to prevent the over-utilization or under-utilization of units that could result in an inefficient use of housing assistance. This standard also ensures that residents are treated fairly and consistently in order to receive adequate housing space. HAMC will not make social judgments on a family's sleeping arrangement.

### 7.3 Families with Children

The Fair Housing Act prohibits properties receiving Federal assistance from discriminating on the basis of familial status, making it illegal to discriminate against families because of the presence of persons under the age of 18. HAMC will neither exclude families with children, nor will they develop policies or procedures that have the purpose or effect of prohibiting children. HAMC will not exclude eligible elderly families because of the presence of children, or because of the anticipated presence of children.

### 7.4 Counting Family Members

In order to determine the size of unit that would be appropriate for a particular family, HAMC will count all full-time members of the family including live-in aides and foster persons who will reside in the unit. In addition, HAMC will count all anticipated persons including the following:

- Children expected to be born to a pregnant woman;
- Children in the process of being adopted by an adult family member;
- Children whose custody is being obtained by an adult family member;
- Children who are temporarily in a foster home who will return to the family;
- Children in joint custody arrangements who are present in the household 50% or more of the time;
- Children who are away at school and who live at home during recesses;
- Children that are temporarily in a correctional facility/detention center who will return to the family.

### 7.5 Property Standards for Behavior

The applicant family will be judged on past habits and practices related to tenancy and not on any attribute or behavior which may be imputed to a particular group or category of persons of which an applicant may be a member.

## CHAPTER 8: SCREENING TO DETERMINE APPLICANT ELIGIBILITY STANDARDS

### 8.1 Applicant Screening Policy

All applicants for assisted housing will be screened according to the criteria set forth in HUD's Occupancy Handbook, HUD Handbook 4350.3 REV-1. Certain key questions relating to the applicant's eligibility and resident history will be asked, including Social Security numbers, and the names, addresses and telephone numbers of current and former landlords. Failure to provide this information will result in cessation of application processing. Property staff will assist applicants, as needed, in understanding the application process and completing forms. Applicants will be instructed on what aspects of their background will be checked. An applicant has the right to voluntarily withdraw from the application process at any time.

Live in Aids will be subject to the same general screening criteria as family members, except that Live-in Aids will not be screened for their ability to pay rent.

### 8.2 Screening Standards HAMC Will Check

- Past performance in meeting financial obligations, especially rent;
- A record of disturbance of neighbors, destruction of property, or housekeeping habits at prior residences which may adversely affect the health, safety or welfare of other residents, or cause damage to the unit or development;
- Involvement in criminal activity on the part of any applicant family member which would adversely affect the health, safety or welfare of other residents;
- A record of eviction from housing, or termination from residential programs;
- An applicant's ability and willingness to comply with the terms of HAMC' lease;
- An applicant's misrepresentation of any information related to eligibility, allowances, family composition or rent.

### 8.3 Screening Standards HAMC Will Not Check

- HAMC is not allowed to require physical examinations or medical testing as a condition of admission;
- HAMC will uniformly require all applicants to furnish evidence of ability to meet the obligations of tenancy, but will not impose greater burdens on persons with disabilities. Persons with disabilities may meet the requirements of the lease with the assistance of others such as attendant care providers;
- HAMC will not require a donation, contribution or membership fee as a condition of admission;

### 8.4 Procedures to Determine an Applicant's History

#### Past Performance

- Past performance for meeting financial obligations will be checked by contacting the current landlord and at least one prior landlord and utility supplier (if applicable).
- If verified records of timely rental payments (and utility payments, if applicable) are received from a landlord and/or utility supplier, no further documentation of past performance in meeting financial obligations, especially rent, will be collected.
- An applicant who applies owing a balance consisting of uncollected rent and/or miscellaneous charges may not be placed on the Waiting List until that balance is paid.
- HAMC will run a credit check and obtain a credit report on the applicant. In addition, HAMC will check court records for evidence of evictions or judgments against the applicant. The purpose of these checks is to obtain information on the applicant's past history of meeting financial obligations, future ability to make timely rent payments and to describe whether the applicant has ever been evicted from a rental unit. If it is determined by the property manager that the applicant is not credit worthy, the applicant will be rejected.

- Also, HAMC will contact the current housing provider to determine the applicant's current lease compliance and ability to pay the rent in a timely manner.

#### **Record of Disturbance**

- HAMC will check with the current landlord and at least one former landlord for potential problems regarding documented disturbance of neighbors, destruction of property, or housekeeping habits that would pose a threat to the health and safety of other residents and/or property.
- In addition, HAMC may make a Home Visit to all eligible applicants that live within 20 miles of HAMC. For further information, see Page 24 of this Tenant Selection Plan.
- If the applicant is not currently living under a lease with a landlord, the current housing provider may be asked to verify the applicant's ability to comply with lease terms. Any area for which the applicant has upkeep responsibility will be inspected.
- Documentation of current use of illegal drugs on the part of any applicant family member will be sufficient grounds to reject the applicant family.

An applicant's behavior toward property staff will be considered in relation to future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward staff will be noted in the file and may be grounds for denial of residency.

#### **Involvement in Criminal Activity**

- Involvement in criminal activity by any member of an applicant family that would adversely affect the health, safety or welfare of other residents will be verified. In addition, the current or former landlord will be asked to indicate problems in this area during the applicant's tenancy.

#### **Record of Eviction**

- Staff will check property records, landlord records and other court records to determine whether the applicant has been evicted from any other property in the past.
- Record of termination from residential programs will be checked with police, service agencies and with any housing providers referred by the applicant.
- An applicant will in no way be held accountable by HAMC for the rental delinquency or other problems of a former household of which the applicant was a member, but not the head or spouse.
- Staff will consider the date and circumstances of any past eviction or termination of tenancy in determining its relevance to property tenancy.

#### **Complying with the Lease**

- If an applicant is able to document through landlord references that s/he is complying with lease terms in current residences, and has so in former residences, this criterion will be considered to have been satisfied. Ability to comply with HAMC lease terms will be checked only in the absence of satisfactory landlord's documentation.

#### **Misrepresentation of Information**

- If, during the course of processing an application, it becomes evident that an applicant has falsified or otherwise misrepresented any facts about his/her current situation, history, or behavior in a manner that would affect eligibility, applicant selection criteria qualification, allowances or rent, the application shall be rejected.

### 8.5 Procedures to Determine an Applicant’s History

If HAMC’s review of information about the applicant indicates that the applicant will not be a suitable resident, HAMC may reject the application for tenancy.

#### Screening for Credit History

The following credit scoring parameters will be reviewed with the exception of medical debt:

- Collections, Charge-offs, judgements, open bankruptcy within 12 months or less

HAMC will not reject an applicant for a lack of a credit history.

#### Screening for Rental History

The following will result in denial:

- Sum of balance owed in last (12) months are greater than \$3,000.00 AND the following offenses:

Offenses	Felony (Years)
1) Alcohol Related	3
2) Arson	Any
3) Assault &/or Battery	3
4) Bad Checks	3
5) Burglary	3
6) Crimes Against Animals	3
7) Crimes Against Children	Any
8) Crimes Against Gov't or Gov't Officials	3
9) Crimes Involving Computers (Cybercrime)	3
10) Destruction/Damage/Vandalism of Property	3
11) Disturbance to Peace & Order	3
12) Domestic Crimes	3
13) Drug	3
14) Drug Sale, Manufacture, Distribution	Any
15) Embezzlement	3
16) Fraud	3
17) Gambling	3
18) Harassment	3
19) Homicide	Any
20) Kidnapping	Any
21) Organized Crime/Conspiracy	3
22) QUI, OVI, DWI	3
23) Petit Theft	3
24) Purposefully Obstructs, Impairs or Perverts the Law	3
25) Robbery	3
26) Sex Crimes - Other	3
27) Sex Crimes Against a Person	Any
28) Theft/Larceny	3
29) Trespassing	3
30) Weapons	3
31) Incarceration (Due to Conviction) Release Date	3

#### Screening for Housekeeping Habits

- All landlords contacted for rental history will also be questioned regarding the applicant’s housekeeping habits, to determine the maintenance of the present home in regards to sanitary conditions, and fire and safety standards.

**HAMC will deny admission if:**

- Any household containing member(s) who was evicted in the last three (3) years from federally assisted housing for drug-related criminal activity. HAMC may, at its option, approve such an application, if the evicted household member has successfully completed an approved, supervised drug rehabilitation program; or the circumstances leading to the eviction no longer exist (e.g., the household member no longer resides with the applicant household)
- Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards will be based upon behavior not the condition of alcoholism or alcohol abuse;
- Any household member has engaged in violent criminal activity;
- Any household member with a derogatory criminal (felony, misdemeanor, etc.) record less than three (3) years old that HAMC believes constitutes a threat to the health, safety, and rights to peaceful enjoyment of the property by residents, owners, employees, contractors, subcontractors, or agents of the owner."

**Screening for Other Criminal Activity**

HAMC will deny admission to any member of the household that is subject to a lifetime registration requirement under a state sex offender registration program. In accordance with Federal law, HAMC is establishing this standard to prohibit admission to this federally-assisted property to sex offenders subject to a lifetime registration requirement under a state sex offender registration program. During the admission screening process, HAMC will perform the necessary criminal history background checks in the state where the housing is located and in other states where the household members are known to have resided.

**Violence Against Women Act (VAWA)**

"Under The Violence Against Women Act ("VAWA"), criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for denial of admission to HAMC if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. However, nothing in the VAWA limits the authority of HAMC to deny admission to, or evict from, or terminate the assistance of, any applicant, tenant or lawful occupant if the HAMC can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

In addition, Sections 606 and 607 of VAWA allow HAMC to request in writing that an individual complete, sign and submit, within 14 business days of the request, a HUD-approved certification form. On the form, the individual certifies that he/she is a victim of domestic violence, dating violence, or stalking, and that the incident or incidences in question are bona fide incidences of such actual or threatened abuse. On the certification form, the individual shall provide the name of the perpetrator.

In lieu of a certification form, or in addition to the certification form, a tenant may provide to PHAs, managers or owners, (1) a Federal, State, tribal, territorial, or local police record or court record; (2) documentation signed and attested to by an employee, agent or volunteer of a victim service provider, an attorney or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence or stalking, or the effects of abuse, in which the professional attests under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, or stalking has signed or attested to the documentation. If the individual does not provide the form HUD - 50066 or the information that may be provided in lieu of the certification by the 14th business day or any extension of that date, none of the protections afforded to the victim of domestic violence, dating violence or stalking by sections 606 or 607 will apply. The PHA, owner or manager would therefore be free to evict, or to terminate assistance, in the circumstances authorized by otherwise applicable law and lease provisions, without regard to the amendments made by Sections 606 and 607.

HAMC, at its discretion, may provide assistance to an individual based solely upon the individual's statement or other corroborating evidence.

## 8.6 The Home Visit

- Applicants will be notified at least two days in advance of the scheduled home visit.
- Applicants who are sharing housing either with family members or friends must be advised that HAMC will inspect the common areas such as the living room, kitchen and bathroom of the unit, not just the applicant's room(s). A family that is willing to live in unsanitary or infested conditions created by others may have standards that are too low for admission.
- It is necessary to do a home visit to an institution, because the applicant may be responsible for some aspect of the condition of HAMC, and staff must make a determination whether the applicant would need services that, if provided by property staff, would constitute an alteration in the fundamental nature of HAMC' program.
- The purpose of the home visit is to determine whether the applicant is capable of caring for a unit in a way that will not create health or safety hazards or contribute to infestation, whether the applicant is likely to damage a unit, and whether the applicant is currently engaged in behavior or practices that would violate HAMC' lease.
- Resident-caused health or safety hazards, housekeeping that contributes to infestation or damage to the applicant's current unit would be grounds for rejection.
- Permitting unauthorized occupants to share the unit, engaging in criminal activity or presenting some other situation that was inconsistent with the information presented on the application, could be grounds for rejection. HAMC must be able to document any cases where the home visit results in a rejection.

## 8.7 Other Housing Standards

1. **Cars:** A maximum of two operational cars per unit (exceptions on 3-4 bedroom units). All motor vehicles must have current tags, inspection stickers and be registered with the office. All other vehicles are subject to tow.
2. **Pets:** If pets are allowed, an \$300.00 refundable deposit is required. No exotic pets are allowed. Dog breed restrictions: Rottweiler, Doberman pinscher, Pit Bull, Chow, and German shepherd. Refer to the community's "Rules for Pets". Approved assistance or service animals do not require additional deposits.
3. **Market Units:** Market units will need to earn an income of one and a half (1 ½) times the market rental amount.



## CHAPTER 9: FAIR HOUSING AND MARKETING REQUIREMENTS

### 9.1 Marketing

HAMC enforces a marketing effort that attracts a broad cross-section of the eligible population without regard to race, color, religion, sex, disability, familial status, national origin, marital status, sexual orientation, age, ancestry, source of income, medical condition, or any other arbitrary basis.

#### Filling Available Units

Whenever additional applicants are needed to fill available units, advertising will be carried out in accordance with the HUD-approved AFHMP for each site, and as indicated below.

### 9.2 Affirmative Fair Housing Marketing Plan (AFHMP)

HAMC complies with the requirements of the HUD-approved AFHMP established for HAMC, which is designed to promote equal housing choice for all prospective residents regardless of race, color, religion, sex, disability, familial status, national origin, marital status, sexual orientation, age, ancestry, source of income, medical condition, or any other arbitrary basis. The purpose of the plan is to ensure that eligible families of similar income levels will have a similar range of housing opportunities. The plan outlines marketing strategies HAMC will use. Special efforts will be made to attract persons who are least likely to apply due to such factors as the racial or ethnic composition of the neighborhood. Marketing will also seek to reach potential applicants outside the immediate neighborhood if marketing only within the neighborhood would create a disparate impact against certain classes, such as the case of an entire neighborhood that includes no minorities.

#### **Marketing Requirements for Section 8 Units**

HAMC will target its marketing and outreach activities for any Section 8 units to attract applicants with incomes below the very low-income limit. In addition, for income-targeting requirements, HAMC will target marketing and outreach to attract applicants with incomes at or below the extremely low-income limit to achieve the income-targeting requirements established on Page 10 of this plan. All marketing for Section 8 Units must adhere to each property's Affirmative Fair Housing Marketing Plan.

#### **Monitoring and Documenting Marketing Activities**

HAMC will monitor marketing efforts and document the results in writing. The documentation will be made available, upon request, for all marketing activities to show consistency with affirmative fair housing marketing requirements and the approved plan for HAMC. This documentation will include copies of media and marketing materials, records of marketing activities conducted, and documentation of any special marketing activities conducted in accordance with the HAMC approved AFHMP.

#### **Five-year Review of Plan**

HAMC will review the AFHMP every five years and update it as needed to ensure compliance with HUD regulations. If the demographics of the area have changed, HAMC will determine whether advertising efforts should be targeted to different groups. The AFHMP will be revised whenever a substantial change takes place, or the local Consolidated Plan is updated, and be submitted to HUD for approval.

### 9.3 Advertising

#### Targeted Population

When available units cannot be filled from applicants on a waiting list, HAMC will target advertising to groups other than the typical population of the neighborhood and will reach out to applicants who are least likely to apply because they are not the predominant racial or ethnic group in the neighborhood.

**Form of Advertisement**

All advertising for this property includes the HUD-approved Equal Housing Opportunity logo, the Equal Housing Opportunity slogan, or an equal housing statement. All advertising using human models will depict members of all eligible protected classes including individuals from both majority and minority groups.

**Fair Housing Poster**

HAMC has posted the required Equal Housing Opportunity poster in the Leasing Office, so that it is readily apparent to all persons seeking housing.

## CHAPTER 10. APPLICATION INTAKE AND PROCESSING

### 10.1 Application Intake

Online applications will be accepted at property portals listed at [www.maricopahousing.org](http://www.maricopahousing.org) only when the waiting list is open. All communications with applicants will be by first class mail, email or by telephone. Failure to respond to letters or phone messages may result in withdrawal of an application from further processing. HAMC will make exceptions to these procedures to take into account circumstances beyond the applicant's control, such as medical emergencies or extreme weather conditions.

1. **Application**. Anyone who wishes to be admitted to an assisted property or placed on a property's waiting list must complete an application. In addition to providing applicants the opportunity to complete applications at the project site, owners may also send out and receive applications by mail. Owners shall accommodate persons with disabilities who, as a result of their disabilities, cannot utilize the owner's preferred application process by providing alternative methods of taking applications.
2. **Applicant Certification**. The application must include a signature from the applicant certifying the accuracy and completeness of information provided.
3. **Supplemental Information to Application for Assistance**. The application must include as an attachment, form HUD-92006, Supplement to Application for Federally Assisted Housing.
4. The applicant provides self-certification of their race and ethnicity for data collection. Completing this information is optional and there is no penalty for not completing it. Owners should not complete the form on behalf of the tenant.

### 10.2 Contents of Application

Full written applications will be required as applicants who applied online are pulled from the wait list. Every application must be completed and signed by the applicant. The information requested on the application form includes:

- Household characteristics such as name, sex, age, disability status (only where necessary to establish eligibility), need for an accessible unit, and race/ethnicity;
- General household contact information such as address, phone number, etc.;
- Sources and estimates of the household's anticipated annual income and assets;
- Social Security number(s);
- Citizenship declaration and consent form(s);
- Higher education student status (only if a member of the household is a student in higher education);
- Identification of preferences for which the household qualifies
- Screening information, which may include prior landlord, credit, and drug/criminal history;
- Marketing information regarding how the applicant heard about HAMC; and
- Certification from the applicant stating the accuracy and completeness of information provided, and an acknowledgement that the applicant has read the Privacy Act and understands the disclosure requirements received including Tenant Selection Plan (TSP), EIV and You Brochure.
- Authorization by the applicant that allows HAMC to verify all information provided on the rental application.
- Inquiry of State Lifetime Sex Offender Registration in any state.
- Listing of states where applicant has resided.
- Dated and signed HUD Form 92006 Certification-Supplement to Application for Federally Assisted Housing

Staff will be prepared to assist any applicants who might have trouble completing the application form. This assistance might take the form of answering questions about the application, helping applicants who might have literacy, vision or language problems and, in general, making it possible for interested parties to apply for assisted housing.

### **10.3 Determining an Applicant's Eligibility**

#### **Preliminary Determination**

Before putting any applicant on a waiting list, HAMC will make a preliminary eligibility determination to ensure that there are no obvious factors that would make an applicant ineligible.

#### **Placement on a Waiting List**

If a preliminary screening indicates that a family is eligible for tenancy, but units of appropriate size are not vacant, HAMC will place the family on a Waiting List according to the date and time the application was received in the rental office if requested by the family. The family will be notified when a suitable unit becomes available.

#### **Placement on More than One List**

Families may request and be placed on more than one waiting list, as long as they are eligible for the appropriate bedroom size. For instance, a family of 3 that includes a parent and a son and daughter is eligible for both a 2-bedroom unit and a 3-bedroom unit. (where applicable).

For more information on Waiting List Management, see Page 29 of this Tenant Selection Plan

#### **Updating Information**

Applicants have the opportunity, at any time, to supplement the information they already provided with their application.

### **10.4 Verification Interview**

As applicants approach the top of the waiting list they will be contacted to schedule an interview to verify all information given on the application. The interview will be conducted in accordance with HUD's Occupancy Handbook, HUD Handbook 4350.3 REV-1. HAMC will confirm and update all information provided on the application, and will explain program requirements, verification procedures, and penalties for false information, which include eviction, loss of assistance, fines up to \$10,000, and imprisonment up to five years. The applicant will be asked to sign the release of information consent portion of the Authorization for Release of Information (Forms HUD 9887 and 9887-A) and any other necessary verification requests.

#### **Ineligible Applicants**

At the completion of the verification process, applicants will be ineligible to move into HAMC for any one of the following reasons:

- The applicant's gross annual income changes by the time they reach the top of the waiting list, and exceeds the income limit for HAMC;
- Household members have failed to meet disclosure requirements for Social Security numbers;
- Household members have failed to declare citizenship/non-citizenship status;
- Household members have failed to sign the release of information forms; and,
- Landlord reference checks reveal that the applicant has a history of nonpayment of rent, eviction for nonpayment of rent, history of disruptive behavior, or history of damaging site property.

## CHAPTER 11. WAITING LIST MANAGEMENT

Anyone who wishes to be admitted to HAMC or to be placed on HAMC Waiting List must complete an application. The application must include a signature certifying the accuracy and completeness of information provided. If the applicant is placed on HAMC' Waiting List, the list will note the name of the applicant, the date and time of application, the type of income, the size of unit desired, and any other pertinent information.

### 11.1 Selecting Names from the Waiting List

HAMC will select names from the waiting list in chronological order to fill vacancies, unless an extremely low-income applicant is needed to achieve targeting requirements, and the next applicant on the waiting list has income above the extremely low-income limit. In such a case, a notation will be made on the waiting list to indicate why this applicant was skipped for an extremely low-income applicant. Please note the paragraph on Income-Targeting on Page 9 of this Tenant Selection Plan.

#### **Applicant' s Refusal to Accept a Unit**

When appropriately sized units are offered to applicants, and an applicant rejects a unit offer two consecutive times, the applicant will be notified of their name being removed from the wait list.

### 11.2 Maintaining the Waiting List

In order to maintain a balanced application pool, HAMC may, at its discretion, restrict application taking, suspend application taking, and close waiting lists in whole or in part. Decisions about closing the waiting list will be based on the number of applications available, and the ability of HAMC to house an applicant within a reasonable period of time. Closing the waiting lists, restricting intake, or opening the waiting lists will be publicly announced on the Agency's Website ([www.maricopahousing.org](http://www.maricopahousing.org)) and in The Republic (local newspaper).

#### **Policy for Closing the List**

The waiting list will be closed when the average wait is one year or more. Potential tenants whose names appear on the waiting list will be notified via mail of the closure of the waiting list. The waiting list closure will also be published in the newspaper(s) listed above, and will state that additional applications will not be accepted until the waiting list is no longer excessive. During the period when the waiting list is closed, HAMC will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

#### **Reopening the List**

If there is a need to reopen the waiting list, HAMC will advertise in the newspapers listed above, HAMC's website and the applicable agency identified in the applicable AFHMP, explaining the rules for applying, when and where to apply, and the order in which applications will be processed.

### 11.3 Updating the Waiting List

The Waiting List may be updated annually. Applicants must respond to the annual update to remain on the Waiting List. HAMC will update the waiting list by removing the names of those who are no longer interested in, or who are no longer qualified for, assisted housing. The applicant is responsible to update the application with any changes that may occur to remain active on the current waiting list.

#### **Removal of Applications from the Waiting List**

HAMC will not remove an applicant's name from the waiting list unless:

- The applicant requests that the name be removed.
- The applicant was clearly advised of the requirement to tell HAMC of his/her continued interest in housing by a particular time and failed to do so. Those applicants failing to respond within the required time frame will be removed from the list.

- They may reapply during open enrollment but will not assume their old position on the list.
- HAMC made a reasonable effort to contact the applicant to determine if there is continued interest in housing but has been unsuccessful.
- HAMC have notified the applicant of its intention to remove their name because they no longer qualify for assisted housing.

When an application is rejected by management, the applicant will be provided a brief description of the reason(s) for the determination in writing. The applicant will have 14 days to respond in writing or request a meeting to discuss the rejection. The meeting will be held by management with a reasonable time and is to be held by a member of management that was not a party or the decision to reject. After the meeting, the applicant will be notified in writing within five (5) calendar days whether the original decision has been changed.

#### **11.4 Referral Management**

Properties with specific housing populations that require a designated certification (i.e. Homelessness, SMI, Developmentally Disabled, etc.) there is a referral process. Properties that utilize agency referrals must follow the referral procedure outlined. Referrals are not placed on waiting lists but are housed based upon unit vacancy. The order in which referrals are received indicates the process referral applicants are reviewed for placement and screening. All other tenant selection procedures are to be followed.

See Referral Process Outline and Form for additional details on processing referral applications at:

- **HAMC Partnering Properties**
- **Heritage at Surprise**

All Referral Move-ins require a three (3) step process, referral, registration and completion of application. Upon completion of the application, property management will schedule a briefing with applicant referral.

HAMC shall not discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, age, handicap, familial status or the receipt of housing assistance.

In determining qualifying income levels, all eligible sources of income will be considered including assets and income derived from assets. Each prospective applicant must complete all necessary forms for verification or clarification of income sources required by the program. This includes employment, social security benefits, child support, assets, etc.

##### **Step 1. Referral Process**

- Once a unit vacancy is determined, Property Management will contact appropriate Referral Agency and provide a copy of the Referral Form (see attached), if necessary.
- Referral Agency will have applicant complete form and return via email to property manager within five (5) Business Days.
- Property Management will generate a Prospect Code for Referral and create a contact log entry in enterprise-software system. Property Management will complete the remainder (Property Management Use Only) of the Referral Form and forward to the appropriate Referral Agency within two (2) Business Days.

**Step 2. Registration Process**

- A. Referral Agency will have applicant visit the appropriate property website
- B. Click "Applicants" Button
- C. Click "Register Now" Button
- D. Click "I have a registration Code"
- E. Enter Registration Code and Click "Go"
- F. Complete Account Details and "Click Register"

**Step 3. Completion of Application**

- A. After Registering, complete online application.
- B. Sign any online documents
- C. Upload all application documents include Birth Certificates, Social Security Cards, Income and Bank Statements

**Referral Form (Sample)**

Referral Name: \_\_\_\_\_ Contact Phone(s): \_\_\_\_\_

Mailing Address (if any): \_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Number of Household Members: \_\_\_\_\_ Email Address: \_\_\_\_\_

<b>Homeless Certification Attached: Yes/No</b> (Circle one)	<b>SMI Certification Attached: Yes/No</b> (Circle one)
--	---

Clinical Team will be coordinating Transportation for Referral Yes/No  
(Circle one)

Start-up Kits will be provided for Referral Yes/No  
(Circle one)

Signature of Applicant completing Referral Form: \_\_\_\_\_

Case Manager Name: \_\_\_\_\_ Email: \_\_\_\_\_

Name of Housing Liaison returning Referral Form: \_\_\_\_\_

Signature of Housing Liaison returning Referral Form: \_\_\_\_\_

**For Property Management Use Only**

Date Received: \_\_\_\_\_ Received By: \_\_\_\_\_

Guest Card Entered: \_\_\_\_\_ Guest Card Entered By: \_\_\_\_\_

**Generated Prospect Code:** \_\_\_\_\_

**Registration and Application Website:** [Applicable Website URL](#)

Date Prospect Code Forwarded to Case Manager: \_\_\_\_\_



## CHAPTER 12 VERIFICATION REQUIREMENTS

### 12.1 Required Consent Forms

Adult members of assisted families must authorize owners to request independent verification of data required for program participation. To provide owners with this authorization, adult family members must sign two HUD-required consent forms, plus HAMC' specialized verification forms.

#### **Form HUD-9886, Authorization for the Release of Information/ Privacy Act Notice.**

Each member of the family who is 18 years of age and older must sign this form regardless of whether s/he has income. The consent allows HUD to verify information with the IRS, the Social Security Administration, and with state agencies that maintain wage and unemployment claim information.

#### **Form HUD-9887, Notice and Consent to the Release of Information to HUD.**

Each member of the family who is 18 years of age and older must sign this form regardless of whether s/he has income. The consent allows HUD to verify information with the IRS, the Social Security Administration, and with state agencies that maintain wage and unemployment claim information.

#### **Form HUD 9887-A, Applicant' s/Tenan t' s Consent to Release of Information – Verification by Owners of Information Supplied by Individuals Who Apply for Housing Assistance.**

Owners and all family members 18 years of age and older, regardless of whether they have income, must sign this form. The consent allows owners to request and receive information from third-party sources about the applicant/resident.

### 12.2 Required Documents and Application Information

All information relative to the following items must be verified:

- Income, assets, family composition, and Social Security numbers;
- Deductions for such things as age, disability, disability expenses, and medical costs;
- Documented ability and willingness to abide by lease requirements, previous history of tenancy, rent paying, caring for a home, and criminal activity of any family member.

All of the above information must be documented, and appropriate verification forms or letters placed in the applicant or resident file. No decision to accept or reject an application will be made until all verifications have been collected.

### 12.3 Verification Documentation

Documentation used as part of the verification process may include:

- Checklists completed as part of the interview process and signed by the applicant;
- Verification forms completed and signed by third parties;
- Reports/letters of interviews; and
- Notes of telephone conversations with reliable sources.

At a minimum, such reports will indicate the date of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received. Management staff will be the final judge of the credibility of any verification submitted by an applicant. If a staff member considers documentation to be doubtful, HAMC manager/owner will review it before making a ruling about its acceptability. Staff will continue to pursue credible documentation until it is obtained or the applicant is rejected for failing to produce it.

## 12.4 Preferred Forms of Verification

Verifications shall be attempted in the following order:

- Third party written;
- Third party oral with a record kept in the file;
- Review of documents provided by the family, or affidavits from the family.

Each file will be documented to show that HAMC staff attempted to obtain third party written documentation before relying on some less acceptable form of information.

### Source of Information

Sources of information to be checked may include, but are not limited to:

- Present and former landlords, or housing providers;
- Present and former employers;
- Credit checks and landlord record services;
- Family social workers, parole officers, court records, drug treatment centers, clinics, physicians, clergy; & Police departments.

### Verifications and Rent Computations

Annual Income, which is used to determine eligibility, and Adjusted Income, which is the income upon which the rent is based, will be computed in accordance with the definitions and procedures established in Federal Law and set forth in the applicable HUD regulations, as found in HUD Handbook 4350.3 REV-1.

### Verifying Annual Income

Projections of Annual Income will include estimates for each income recipient, and will be based on the best available information, considering the past year's gross income, and for employed families, the current income rate, and any potential rate increase, bonus, or possibility of overtime. The income of irregular workers will be estimated on the basis of the best information available, considering earning ability and work history. Overtime income will be computed in accordance with verification obtained from the employer, in the absence of more reliable or accurate information.

### Methods of Verifying Income

Income is the most important factor in determining a family's eligibility and rent. HAMC has established methods of verifying income which include:

- Written third party verification (with an appropriate release) through an employer or public agency. Property staff may update this verification by phone provided a memorandum to the file is prepared.
- Property review of documentation provided by the family such as benefit checks, income tax returns, and W-2 forms.

In the absence of any of the above, affidavits from the family describing the amount and type of income is acceptable documentation.

### Verifying Zero Income

If an applicant reports zero income, HAMC will advise her/him that if they are still at zero income when they become a resident, they will be asked to complete a questionnaire prepared by HAMC stating their source of necessary living items that are not covered by Food Stamps or other federal assistance sources. After 90 days at zero income, and for every 90-day period thereafter, the resident will be re-certified to determine if they have begun to receive any type of income. If a resident goes through four 90-day periods at zero income, HAMC will then make a visit to their dwelling unit to determine the likelihood of the resident's report. If the resident is found to have a car, a telephone, cable television, cigarettes, disposable diapers, or other evidence of some form of income, the applicant will be asked to explain the source of income supporting

cash expenditures when zero income is present. A Family Budget or Statement of Financial Responsibility may be required from the applicant. Investigations may include ordering a credit report on the resident after proper notice is given.

### **Attempted Fraud**

Any information provided by the applicant that verification proves to be untrue may be used to disqualify the applicant for admission on the basis of attempted fraud. HAMC considers false information about the following items to be grounds for rejecting an applicant:

- Income, assets, family composition; Social Security numbers; allowances; and
- Previous resident or criminal history

Involuntary errors that do not secure an advantage with regard to program eligibility, preferences, or rent will not be used as a basis to exclude applicants

### **12.5 De Minimis Errors**

When HAMC becomes aware of the existence of an income calculation error, HAMC will take corrective action to credit or repay a family if the family was overcharged tenant rent, including when HAMCs make de minimis errors (by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income) in the income determination. Families will not be required to repay the HAMC in instances where the HAMC miscalculated income resulting in a family being undercharged for rent.

#### **HAMC Policy**

In the event HAMC has determined that an income calculation error has occurred, or the family has notified the HAMC of the error, HAMC will take corrective action to repay or credit the family the amount they were overcharged as a result of the HAMC's de minimis error in income determination within 90 days of the discovery error.

If the family has not notified the HAMC and the HAMC discovers the error, HAMC will verify the income calculation error and take corrective action and repay or credit any outstanding amounts after the income calculation has been verified and corrected. HAMC's Internal Control Policy will determine when and how a refund will be issued to the family.

## CHAPTER 13 MAKING OCCUPANCY DETERMINATIONS

### 13.1 Non-Discrimination

The following list of factors will not be considered in making a decision to admit or reject an application:

- Race
- Color
- Religion
- Ancestry
- National origin
- Age
- Sex
- Marital status
- Familial status
- Sexual orientation
- Medical condition
- Source of income
- Handicap or disability, including mental or psychological illness

### 13.2 Applicants with Disabilities

It is illegal to reject an applicant because s/he has a disability, or for reasons that could be overcome by HAMC's reasonable accommodation of the applicant's disability. If, even with a reasonable accommodation, applicants with disabilities cannot meet essential program requirements, it is permissible to reject them. Such insurmountable problems might arise because of behavior or performance in past housing, inability to comply with the terms of HAMC' lease, or needed services from property staff that represent an alteration in the fundamental nature of HAMC program or is economically unreasonable.

#### Determining Program Eligibility

An applicant who happens to have a disability but who is able to demonstrate a history of meeting financial obligations, caring for a rental unit, avoiding disturbing neighbors and destroying property, eschewing criminal behavior, and if necessary, ability to comply with HAMC' lease, would be recommended for admission with no further reference to or consideration of any disability or handicap.

### 13.3 Recommendations for Admission or Rejection

If at any point in the screening process (including landlord references, home visit, criminal background check, or verification of ability to comply with lease terms), it becomes clear to HAMC that an applicant will not meet the screening criteria, the file will be sent to the appropriate Supervisor for review. The first step in this review is a determination of the file's completeness. If any information is missing or the case for rejection or acceptance is not compelling, the file will be returned to the staff for further work.

#### Authorizing Admission

If an applicant is clearly eligible and passes the screening criteria, admission will be authorized.

#### Authorizing Rejection

Likewise, if the applicant is ineligible, rejection will be authorized. See Page 35 of this plan for further requirements regarding rejection.

## CHAPTER 14 REJECTION OF INELIGIBLE APPLICANTS

Applicants who do not pass the eligibility requirements will immediately be sent a letter of rejection. This written rejection notice will specifically state one of the reasons listed below for the rejection, and will inform the applicant of her/his right to respond to HAMC in writing, or to request a meeting within 14 days to dispute the rejection.

### 14.1 Reasons for Rejection

HAMC will reject an applicant if s/he:

- Is ineligible for occupancy based on HUD's guidelines as indicated in HUD Handbook 4350.3 REV-1;
- Is unable to disclose and document a SSN, or does not execute a certification stating that no SSN has been assigned;
- Does not sign and submit verification consent forms or the Authorization for Release of Information (Forms HUD-9887 and HUD-9887-A);
- Has household characteristics that are not appropriate for the unit sizes that are available;
- Has not declared citizenship or non-citizenship status, or signed a statement electing not to contend noncitizen status; or
- Does not meet HAMC' resident screening criteria as set forth in this Tenant Selection Plan. If this item is the cause for rejection, the letter of rejection will specifically state in which area the applicant did not pass the screening criteria, as indicated below.

#### **Failing the Screening Criteria**

Reasons for failing HAMC' resident screening criteria may include but not limited to:

- A family member was, or is, engaged in criminal activity that involves crimes or physical violence to persons or property, or that disturbs the peaceful enjoyment of the premises;
- There is evidence of acts of violence or any other conduct that constitutes a danger or disruption to the peaceful enjoyment of the premises;
- There is confirmed drug addiction or alcohol abuse, such as a conviction for possession, trafficking or use of narcotics or controlled substances, a record of conviction for activity relating to the misuse of alcohol, or written reports from a probation officer, a social agency, or the family itself to the effect that the individual is addicted to, or is misusing drugs or alcohol;
- A family member was evicted in the past three (3) years from federally-assisted housing for drug and criminal activity;
- A family member has been evicted from a residence within 5 years, evictions after five years: member must establish positive rental history (no other eviction and no late rental payments made) and paid prior eviction in full;
- A family member has a conviction for the offense of rape, prostitution, indecent exposure, sodomy, carnal abuse, impairing the morals of a minor or similar crimes indicating sexual deviation;
- Any outstanding utility bills
- There is evidence of grossly unsanitary or hazardous housekeeping habits, which includes the creation of health or safety hazards through acts of neglect, or causing, or permitting to cause any damage to or misuse of the premises. This includes causing or permitting infestation, foul odors or other problems injurious to other persons' health, welfare or enjoyment of the premises; depositing garbage improperly; failing to use in a reasonable and proper manner all utilities, facilities, services, appliances and equipment within the dwelling unit, or failing to maintain them in good and clean condition; or any other conduct or neglect which could result in health or safety problems or in damage to the premises.

**Report from Qualified Agency**

In cases where a qualified agency, such as Protective Services, reports that a family shows potential for improvement in the area of housekeeping, an eligibility decision will be reached after receiving such a referral or recommendation from such an agency.

**14.2 Appeal Process**

All denied applicants have 14 days to respond in writing or to request a meeting to discuss their rejection. Appeal letters should be sent to the address on the cover page of this Tenant Selection Plan. A member of HAMC staff who was not involved in the initial decision to deny admission will conduct a meeting with the applicant. A written response will be sent to the applicant within 5 days following the review meeting with the final decision.

## CHAPTER 15 ACCEPTANCE OF ELIGIBLE APPLICANTS

### 15.1 Offering a Unit

When a unit becomes available for occupancy, it will be offered either to the first Extremely Low-income applicant on the Waiting List, or, if the income-targeting percentage has already been met, to the first applicant at the top of the Waiting List. If the applicant cannot be contacted within five (5) working days, the offer will be canceled and the unit will be offered to the next applicant on the Waiting List. In that event, the first applicant will be sent a letter requesting confirmation of their interest in remaining on the Waiting List. If the applicant replies affirmatively, their application will retain its position on the Waiting List. The applicant will be advised at that time that if another unit becomes available and they cannot be reached within five (5) working days, their name will be moved to the bottom of the waiting list. If the applicant's reply is negative, or if no reply is received within five (5) working days, the application will be withdrawn and removed from the wait list.

#### Preparing to Move In

- The applicant and site manager or his/her designee will inspect the unit, and will both sign the Move-In Inspection Form;
- All applicants will sign the lease and related documents;
- The applicant will pay the security deposit by bank check, cashier's check or money order;
- The applicant will pay the pet deposit (if applicable) by bank check, cashier's check or money order; (no deposit will be required for the assistive or service animal of a disabled applicant or resident)
- The applicant will pay the rent for the first month or partial month of occupancy by personal check, bank check, cashier's check or money order;
- The applicant will be given a copy of the lease, the HUD-50059 Form used to certify the rent, the Initial Notice for next year's Annual Recertification, the Move-In Inspection Form, House Rules, Pet Rules (if applicable), a Resident Rights and Responsibilities brochure, the Lead-Based Paint Disclosure Form, a HUD Fact Sheet describing the program and how HAMC determined the rent, and the receipt for the security deposit and first month's rent.

#### Move-In Inspection

Before executing the lease the HAMC representative and the resident will jointly inspect the unit. The move-in inspection form will be used to indicate the condition of the unit. The condition of the unit must be decent, safe, sanitary, and in good repair. If cleaning or repair is required, HAMC will specify on the form the date by which the work will be completed, which will be no later than 30 days after the effective date of the lease. After the move-in inspection, the resident has five (5) days to report any additional deficiencies in the unit to management. The complete move-in inspection will be attached to the lease. The inspection form must be signed and dated by both HAMC and the resident.

#### Initial and Renewal Leases

Applicants will be required to sign a lease for the program under which they are being admitted, in accordance with Figure 6-2 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1. The initial lease term and any renewal lease terms will be determined in accordance with Figure 6-4 of the handbook.

#### Determination of Security Deposit

Security deposit amounts will be determined in accordance with Figure 6-7 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1, which is equal to the greater of \$50 or the household's total tenant payment at move-in.

**Pet Deposit (if applicable)**

Pet deposit amounts will be determined in accordance with Figure 6-8 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1. The pet deposit is \$300. No deposit will be required for the assistive animal of a disabled applicant.

**Rent Calculation**

Monthly rent will be determined in accordance with the resident rent formulas indicated in Exhibit 5-8 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1.

**Failure to Move In on Time**

If an applicant fails to move in on the agreed date, the applicant will be contacted to determine if extenuating circumstances exist. If HAMC determines that extenuating circumstances do exist, and the applicant cannot immediately move into HAMC, the application will be returned to its current spot on the waiting list, and the unit will be offered to the next household on the Waiting List. If HAMC does not find that there are extenuating circumstances, the application will be withdrawn.

**15.2 Charges for Facilities and Services****Checks Returned for Insufficient Funds**

HAMC will impose a fee on the second time, and each additional time, a check is not honored for payment. In addition, the resident will be billed for the amount the bank charges for processing the returned check.

**Damages**

Whenever damage is caused by carelessness, misuse, or neglect on the part of the resident, household member, or visitor, the resident is obligated to reimburse HAMC for the damages within 30 days after the resident receives a bill from HAMC. HAMC will deduct accrued, unpaid damage charges from the resident's security deposit at the time of move-out, as allowed by the laws of this state.

**Special Management Services**

HAMC will charge for special services such as responding to lockout calls and providing extra keys. At the time of move-out HAMC will charge the resident for each key not returned.

**Court Filing, Attorney, and Sheriff Fees**

HAMC will accept fees from residents who wish to avoid or settle an eviction suit as permitted by state and local laws.

**15.3 House Rules**

HAMC has House Rules that are attached to the Lease. These rules are reviewed annually and may be modified. Residents will be notified of any modifications to the House Rules 30 days before they become effective. All residents will be given the opportunity to accept the changes in writing. If a resident chooses to reject any House Rule changes, s/he will be required to move out of HAMC within 60 days.



## CHAPTER 16 RESIDENT RESPONSIBILITIES AFTER MOVE-IN

### 16.1 Annual Unit inspections After Move-In

In addition to the unit inspection at move-in, there will also be an annual inspections for repairs and monitoring of housekeeping habits. If a resident is written up for poor housekeeping habits, s/he must clean their unit within ten (10) days for a re-inspection. If a resident has three (3) unsatisfactory inspections, s/he will be required to move out of the property in accordance and upon notification of Termination of Tenancy.

### 16.2 Annual Recertification Requirements

Once a resident has moved into assisted housing and has gone through the process of having his/her income, assets, and allowances verified, HUD requires HAMC to go through that same process of certification on an annual basis to ensure residents are paying rent based on their ability to pay. This system of annual re- verifying income is called Annual Recertification.

Per the HUD Handbook 4350.3 REV.1, owners/management agents are allowed to conduct criminal background checks as part of the recertification process. HAMC will be administering criminal background checks during annual recertification. If any criminal activities have been found (see page 21 and 22) HAMC will require the household to move out within 30 days or elect to not renew their lease due to unfavorable criminal activity.

HAMC will initiate the annual recertification process by first notifying the resident at the signing of each lease of their obligation to recertify next year. One hundred and twenty (120) days before the new recertification effective date, HAMC will send a reminder notification of their need to report for an Annual Recertification. The resident is then obligated to respond to these notices by reporting to HAMC at the requested time, to complete the recertification process. If the resident does not respond or has not started the recertification process within 60 days prior to his/her recertification date, the resident has waived his/her right to a thirty day notice of rent increase and HAMC may terminate tenancy due to noncompliance.

### 16.3 Interim Recertification Requirements

If circumstances occur in a resident's life that affect his/her ability to pay their rent, a recertification of income, assets, allowances, or household composition should take place before the next scheduled annual recertification is due. This action is called an Interim Recertification. Owners and residents both have certain responsibilities under HUD regulations to initiate interim re-certifications to ensure that an assisted resident continues to pay rent according to his/her ability to pay.

#### **Owner Responsibility**

HAMC will process interim re-certifications when the resident reports circumstances which would decrease the rent, as indicated in Chapter 7 of HUD's occupancy handbook, HUD Handbook 4350.3 REV-1. This includes the following HAMC policy:

#### **HAMC Policy**

HAMC will for conduct an interim reexamination decreases or increase of a family's annual adjusted income when the calculated percentage increase or decreases up or down is 10% or more to the nearest unit (e.g., a calculated decrease of 9.5 percent may be rounded up to 10 percent).

#### **Resident Responsibility**

If an assisted resident experiences certain changes in their income or household composition at a time other than their scheduled annual recertification, HUD requires them to immediately report these changes to HAMC, so that an interim recertification can be processed, as listed in Paragraph 16 of the Model Lease. This includes the following HAMC policy:

**HAMC Policy**

Families must report all changes to household composition, income, and deductions within 10 days of the change.

Changes not reported timely by the family will not result in retroactive interim examination but will be applied to the first day of the month following the date of the change leading to the interim reexamination of family income, granted 30 day notice of change has been given.

**16.4 Unit Transfer Policy**

When a resident reports a change in the number of household members, or a change in the household composition, HAMC will determine if the current unit is still appropriate for the new household. To make this determination HAMC will rely on the occupancy standards implemented for HAMC on Page 18 of this Tenant Selection Plan.

HAMC will determine if there is an appropriately sized unit in HAMC, and if there is a market for the size of unit the resident would be vacating. For more information on Unit Transfers, go to Page 19 of this Tenant Selection Plan.

**16.5 Implementation of House Rules**

The house rules in effect at this property are in place to ensure the safety, care, and cleanliness of the building, and the safety and comfort of the residents. They are in compliance with HUD, state and local requirements, and do not discriminate against individuals based upon membership in a protected class. HAMC will give residents a written 30- day notice prior to implementing any new house rules.

## CHAPTER 17 TERMINATION

### 17.1 Termination of Assistance

HAMC will terminate a resident's assistance if:

- The resident fails to provide required information at the time of recertification, including changes in family composition, or changes in income or Social Security numbers for new family members;
- The resident fails to sign/submit required consent and verification forms (HUD-9887 and HUD-9887a);
- An annual or interim recertification determines that the resident has an increased ability to pay the full contract rent;
- The resident fails to move to a different-sized unit within 30 days after HAMC notifies him/her that a transfer is required, and that the unit of the required size is available;
- The resident has begun receiving assistance, HAMC is unable to establish citizenship or eligible immigration status for any family members from the information provided by the resident, and determines that the resident does not meet the citizenship requirement;
- Actions to terminate assistance will be based only on a change in the resident's eligibility for assistance or a resident's failure to fulfill specific responsibilities under program requirements.
- A student enrolled at an institution of higher education does not meet the eligibility requirements for Section 8 assistance
- The resident does not sign the required HUD-50059 or HUD-50059a form.

#### **Special Considerations for Terminating Assistance or Evicting PBRA Families for Non-Compliance with the Asset Limitation**

In the Section 8 Project-Based Rental Assistance program, including the Section 202/8 program, participants who are not compliant with the asset limitation must either pay the contract rent for the unit or vacate the unit after termination of assistance.

#### **Special Considerations for Terminating Assistance or Evicting HUD Section 202 Families for Non-Compliance with the Asset Limitation**

In the Section 8 Project-Based Rental Assistance program, including the Section 202/8 program, participants who are not compliant with the asset limitation must either pay the contract rent for the unit or vacate the unit after termination of assistance.

#### **Special Considerations for Terminating Assistance or Evicting PBV Families for Non-Compliance with the Asset Limitation**

When HAMC has verified non-compliance with the asset limitation requirement for a PBV assisted family, HAMC will notify the family within 30 days of the same and issue a notice of termination of assistance with an effective date not to exceed 60 days of the notification.

If the family does not vacate the unit voluntarily, the owner must initiate eviction proceedings with the non-compliant PBV family. A LEASE NON-RENEWAL Notice will be issued to the family by the owner.

### 17.2 Termination of Tenancy by Owner

#### **Grounds for Termination of Tenancy**

Owners are expected to enforce program requirements under the terms of the lease. Similarly, HUD expects tenants to comply with the program requirements as established in the lease. HAMC will enforce the lease and house rules, and if lease obligations are not fulfilled, HAMC will initiate termination proceedings to guarantee the other residents' health, safety, and peaceful enjoyment of the property.

Termination of tenancy is the first step in the eviction process and is often used interchangeable with the term eviction. When terminating tenancy, the owner gives the resident notice to vacate the unit because of a lease violation(s). A resident who fails to vacate the unit after receiving notice from the owner may face judicial action initiated by the owner to evict the resident. The owner may only terminate tenancy for Material Non-compliance, Criminal Activity, Failure to Carry Out Obligations under Arizona Landlord Tenant Law and Other Good Cause.

### **Material Non-Compliance**

Owners may terminate tenancy when a resident is in material non-compliance with the lease. Material Non- Compliance includes:

- Failure of the resident to submit, in time, all required information on household income and composition (example: evidence of citizenship, or eligible immigration status; disclosing and verifying social security numbers; or signing and submitting consent forms allowing verification of information regarding the resident's income and eligibility)
- The Resident knowingly providing incomplete or inaccurate information
- Extended absence or abandonment of the unit as defined in the house rules for the property, or in state or local law
- Fraud, which is when a resident knowingly provides inaccurate or incomplete information, either at the time or move in or after the residency has been established
- Repeated minor violations that: Disrupt the livability of the property; adversely affect the health or safety of any person, or the right of any resident to the peaceful enjoyment of the property; Interfere with the management of the property, or have an adverse financial effect on the property
- Nonpayment of rent due under the lease, or repayment agreement, including any portion thereof.

### **Criminal Activity**

Owners may terminate residency and evict residents for criminal activity by a covered person (a resident, household member, guest, or other person un the resident's control) if they determine that the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying a criminal conviction standard or proof of the activity. HAMC may terminate tenancy for any of the following types of criminal activity by a covered person:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff resident on the premises; or
- Illegal drug use. HAMC may evict a family if it is determined that a household member is illegally using a drug or when owners determine that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Alcohol abuse. HAMC may terminate tenancy if it is determined that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Fleeing to avoid prosecution, or custody or confinement after conviction for a crime, or attempting to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law

### **Failure to Carry Out Obligations Under Arizona Landlord Tenant Law**

HAMC may terminate tenancy if the resident fails to comply with State and Local laws regulating the tenancy.

**Other Good Cause**

Other Good Cause includes: Resident refusal to accept an approved modification of the lease, Special Considerations for Terminating Assistance or Evicting PBV Families for Non-Compliance with the Asset Limitation (See Section 17.1).

**Termination Notice**

When an owner terminates tenancy, written notice must be provided to the resident. The notice must reflect the following:

- State the reason for the action with enough detail to enable the resident to prepare a defense;
- Advise the resident that remaining in the unit on the termination date specified in the notice may result in the owner seeking to enforce the termination in court, at which time the resident may present a defense;
- Advise the resident that s/he has 10 days within which to discuss termination of tenancy with the Owner
- When the terminating tenancy for material noncompliance, criminal activity, and failure to comply with state and local landlord tenant laws, the length of the notice period is determined by Arizona Law, which provides for a minimum of three (3) days notice. Notices based upon Other Good Cause must be a minimum of thirty (30) days.

**17.3 Termination of Tenancy by Resident**

In order to terminate tenancy, the resident must provide HAMC with a written 30-day notice to vacate the unit, as required in the lease.

## APPENDIX A: TENANT SELECTION PLAN – HOMELESS PREFERENCE

### Definition of Homeless

For purposes of this preference, the term “homeless” shall be defined as:

An individual or family who is eligible for services to the homeless as provided by the Maricopa County/Phoenix HUD-funded Continuum of Care and is:

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

**OR,** is

2. Any individual or family who:
  - (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - (ii) Has no other residence; and
  - (iv) Lacks the resources or support networks, *e.g.*, family, friends, and faith-based or other social networks, to obtain other permanent housing.

## APPENDIX B: DEFINITIONS

Below is a list of definitions as defined by HUD and are applicable in all HUD funded programs and will be used in determining program eligibility and income calculations.

**Actual Income:** Actual income from assets is always included in a family's annual income, regardless of the total value of net family assets or whether the asset itself is included or excluded from net family assets, unless that income is specifically excluded by 24 CFR § 5.609(b). Income or returns from assets are generally considered to be interest, dividend payments, and other actual income earned on the asset, and not the increase in market value of the asset. The increase in market value is relevant to the cash value of the asset for the purpose of determining total net family assets and imputing income.

**Civil Action Recoveries or Settlements:** Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a person with disabilities are excluded from annual income. Any amounts recovered are excluded irrespective of whether they are received periodically or in a lump sum payment.

**Day Laborer:** A day laborer is defined as an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

**Federal Tax Refunds or Refundable Tax Credits:** All amounts received by a family in the form of federal tax refunds or refundable tax credits are excluded from a family's net family assets for a period of 12 months after receipt by the family.

### Imputed Income

Imputed income from assets is no longer determined based on the greater of actual or imputed income from the assets. Instead, imputed asset income must be calculated for specific assets when three conditions are met:

- The value of net family assets exceeds \$50,000 (as adjusted for inflation);
- The specific asset is included in net family assets; and
- Actual asset income cannot be calculated for the specific asset.

Imputed asset income is calculated by multiplying the net cash value of the asset, after deducting reasonable costs that would be incurred in disposing of the asset, by the HUD-published passbook rate. If the actual income from assets can be computed for some assets but not all assets, then HAMC must add up the actual income from the assets, where actual income can be calculated, then calculate the imputed income for the assets where actual income could not be calculated. After the HAMC has calculated both the actual income and imputed income, the housing provider must combine both amounts to account for income on net family assets with a combined value of over \$50,000. When the family's net family assets do not exceed \$50,000 (as adjusted for inflation), imputed income is not calculated. Imputed asset income is never calculated on assets that are excluded from net family assets. When actual income for an asset — which can equal \$0 — can be calculated, imputed income is not calculated for that asset.

**Income Earned on Amounts Placed in a Family's Family Self Sufficiency (FSS) Account:** Income earned on amounts placed in a family's FSS account is excluded from the family's calculation of annual income.

**Income of Live-in Aides, Foster Children, and Foster Adults:** Income of a live-in aide, foster child, or foster adult as defined in 24 CFR §§ 5.403 and 5.603 is excluded from the family's calculation of annual income.

**Independent Contractor:** An independent contractor is an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code federal income tax requirements and whose earnings are consequently subject to the self-employment tax. In general, an individual is an independent contractor if they have the right to control or direct only the conduct of the work. For example, while instructions and route information are generally provided, third-party delivery and transportation service providers are considered independent contractors unless state law dictates otherwise. In addition, individuals considered “gig workers,” such as babysitters, landscapers, rideshare drivers, and house cleaners, typically fall into the category of independent contractor.

**Insurance Payments or Settlements:** Insurance payments and settlements for personal or property losses, including but not limited to payments under health insurance, motor vehicle insurance, and workers’ compensation, are excluded from annual income. Any workers’ compensation is always excluded from annual income, regardless of the frequency or length of the payments.

**Lump-Sum Additions to Net Family Assets:** Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings, are excluded from annual income. These amounts may count toward net family assets in accordance with 24 CFR § 5.603.

**Necessary and Non-Necessary Personal Property:** Necessary personal property is excluded from net family assets. Non-necessary personal property with a combined value greater than \$50,000, as adjusted by inflation, is considered part of net family assets. When the combined value of all non-necessary personal property does not exceed \$50,000, as adjusted by inflation, all non-necessary personal property is excluded from net family asset.

**Nonrecurring Income: Temporary U.S. Census Bureau Employment:** Payments from the U.S. Census Bureau for employment relating to the decennial census or the American Community Survey lasting no longer than 180 days and not culminating in permanent employment are excluded from annual income. However, it should be noted that any permanent employment with the U.S. Census Bureau should be considered in the annual income calculation.

**Nonrecurring Income: Economic Stimulus or Recovery Payments:** Direct federal or state payments intended for economic stimulus or recovery are excluded from annual income. HUD will continue to advise HAMC of which payments are considered economic stimulus or recovery payments for the purposes of income calculation.

**Nonrecurring Income: State Tax Refunds:** Amounts directly received by the family as a result of state refundable tax credits or state tax refunds at the time they are received are excluded from annual income.

**Payments Received for the Care of Foster Children or Foster Adults or State or Tribal Kinship or Guardianship Care Payments:** Payments received for the care of foster children or foster adults, or state or Tribal kinship or guardianship care payments, are excluded from annual income. This income exclusion also applies to Kinship Guardian Assistance Payments (KinGAP), kinship care payments, and other state-based kinship or guardianship payments that are alternatives to traditional foster care programs.

**Nonrecurring Income: Federal Tax Refunds:** Amounts directly received by the family as a result of federal refundable tax credits and federal tax refunds at the time they are received are excluded from annual income.

**Nonrecurring Income: Gifts:** Gifts for holidays, birthdays, or other significant life events or milestones (e.g., weddings, baby showers, anniversaries) are excluded from annual income.



**Nonrecurring Income: In-Kind Donations:** Non-monetary in-kind donations, such as food or toiletries, received from a food bank or similar organization are excluded from annual income. When calculating annual income, HAMC are prohibited from assigning monetary value to non-monetary in-kind donations received by the family from a food bank or similar organization. Non-recurring, non-monetary in-kind donations from friends and family may be excluded as non-recurring income.

**Passbook Rate:** HUD will annually publish a passbook rate based on the Federal Deposit Insurance Corporation (FDIC) National Deposit Rate for savings accounts, which is an average of national savings rates published on a monthly basis. HAMC must use the HUD-published passbook rate when calculating imputed asset income for net family assets that exceed \$50,000 (a figure that is annually adjusted for inflation). The HUD-published passbook rate will be posted to a dataset on the HUD User Web site, alongside annual inflationary adjustment.

**Seasonal Worker:** A seasonal worker is defined as an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is 6 months or fewer); and 2) the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry. Some examples of seasonal work include employment limited to holidays or agricultural seasons. Seasonal work may include but is not limited to employment as a lifeguard, ballpark vendor, or snowplow driver.

**Trust:** Whether the value of a trust counts as a net family asset and whether distributions from the trust count as annual income to the family depends on the following three factors:

- Whether the trust is under the control of the family;
- Whether distributions are made from the trust's principal; and
- The purpose of the distribution, if the distribution is made from income earned on the trust's principal.

**Trust as Net Family Assets:** The value of irrevocable trusts and revocable trusts that are not under the control of the family are both excluded from net family assets. The distinguishing feature of a revocable trust is that the grantor can terminate and/or amend the trust at any time for any reason before his or her death. In circumstances when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family, the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee. A revocable trust that is under the control of the family or household (e.g., the grantor is a member of the assisted family or household) is included in net family assets, and, therefore, income earned on the trust is included in the family's income from assets. This also means that HAMC will calculate imputed income on the revocable trust if net family assets are more than 50,000, as adjusted by inflation, and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).

**Trust -Actual Income:** If HAMC determines that the revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. Where an irrevocable trust is excluded from net family assets, the HAMC must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

**Unearned Income:** Unearned income means any annual income, as calculated under 24 CFR § 5.609, that is not earned income.

## APPENDIX C: MANDATORY AND DISCRETIONARY USE OF EIV BY HAMC

The table below provides guidance on the frequency with which individual EIV reports must be utilized by a HAMC.

### Mandatory and Discretionary Use of EIV

Report Title	Report Description	Frequency of Use	PHAs/MFH Owners
Debts Owed to PHAs & Terminations	Allows users to access information concerning former tenants who left owing a debt to a PHA or who had their voucher terminated for cause.	At the time of processing an applicant family for admission, and to enter debt information or terminations for families who have ended program participation.	PHAs only Report does not exist in MFH EIV.
Deceased Tenants Report	Identifies tenants reported by Social Security Administration (SSA) as being deceased.	At least quarterly	PHAs/MFH Owners
Existing Tenant Search	Identifies applicants who may be receiving assistance at another Multifamily project or PIH location.	At the time of processing an applicant family for admission	PHAs/MFH Owners
Failed EIV Prescreening Report	Identifies tenants who have missing or invalid personal identifiers (last name, date of birth, SSN) in HIP/TRACS. These tenants will not be sent to SSA from EIV for the SSA identity test.	Monthly	PHAs/MFH Owners
Failed Verification Report (Failed	Identifies tenants whose personal identifiers (last name, date of birth, SSN) do not match the SSA database.	Monthly	PHAs/MFH Owners
SSA Identity Test)	*PHAs/MFH Owners that admit families using a self- certification of SSN must review the Failed SSN Verification Report monthly to identify and follow up on new issues.		
Identity Verification Report	Identifies tenants that, failed SSA verification, and failed EIV pre-screening.	Monthly	PHAs/MFH Owners

<p>Income Discrepancy Report for MFH Programs</p>	<p>Identifies households where there is an income discrepancy in the wage, unemployment, and SSA benefit information reported in EIV and wage, unemployment, and SSA benefit information reported in TRACS for the period of income used for discrepancy analysis. The report serves as a tool to alert MFH Owners that there may be a discrepancy in the income reported by the tenant during the period of income used for the discrepancy analysis.</p>	<p>Must be used at annual reexamination. MFH Owners may use the report at other intervals, in accordance with the MFH Owner’s written EIV policies and procedures. MFH Owners <b>are not</b> required to use the report at annual reexamination if they used Safe Harbor verification to determine the family’s income at the last reexamination.</p> <p>*See note under Summary above about updates to the MFH Income Discrepancy Report.</p>	<p>MFH Owners</p>
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