



**City of Phoenix**

**Housing Department**  
**Admissions and Continued**  
**Occupancy Policy**

Effective July 1, 2008

# **ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)**

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## ***PART I – GENERAL POLICIES***

### ***ADMISSIONS AND CONTINUED OCCUPANCY POLICY***

This Admissions and Continued Occupancy Policy (ACOP) defines the policies of the City of Phoenix Housing Department for the operation of housing programs, incorporating federal, state and local law. If there is any conflict between this policy and laws or regulations, the laws and regulations will prevail.

The Housing Department will administer its federally-funded low-income housing program in a manner that will promote the following objectives of national and/or local housing policy:

- A. To increase the supply of decent housing that is affordable to low- and moderate-income families, and accessible to job opportunities;
- B. To improve housing opportunities for all residents of the City of Phoenix on a non-discriminatory basis;
- C. To help make neighborhoods safe and livable;
- D. To promote housing opportunities that will assist in eliminating homelessness;
- E. To encourage resident empowerment and reduce generational poverty in federally assisted and public housing by developing and implementing strategies by which family self-sufficiency and family economic empowerment can be achieved; and
- F. To promote a broad range of family incomes in particular developments, or in the Housing Department's developments as a whole.

## **1.0 FAIR HOUSING**

It is the policy of the Housing Department to fully comply with all federal, state and local fair housing laws, as well as applicable sections of the Americans with Disabilities Act (ADA) and the United States Department of Housing and Urban Development (HUD) regulations governing Fair Housing and Equal Opportunity.

No person shall, on the basis of race, color, sex, religion, national or ethnic origin, familial status, sexual orientation or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program administered by the Housing Department.

Copies of the federal Fair Housing Act or the City of Phoenix Fair Housing Ordinance may be obtained by contacting the Housing Department at (602) 262-6794 or (602) 534-5500 (TDD/TTY). Upon request, these publications can be made available in Braille, large print, computer diskette or audio tape.

The Housing Department will promptly investigate all complaints of housing discrimination. A resident may report housing discrimination by contacting any Housing Department representative, supervisor, program administrator or onsite managers, or by contacting the Housing Department at:

City of Phoenix Housing Department  
251 W. Washington, 4<sup>th</sup> floor  
Phoenix, AZ 85003  
(602) 262-6794 (voice)  
(602) 534-5500 (TDD/TTY)

Residents may also file complaints of housing discrimination with the Department of HUD in San Francisco by contacting [1-800-347-3739](tel:1-800-347-3739), or with the State of Arizona by contacting (602) 542-5263.

Upon request, any resident who wishes to file a complaint of housing discrimination with HUD may obtain a copy of a housing discrimination complaint form from this office. The City of Phoenix Equal Opportunity Department also publishes various pamphlets and brochures providing an overview of fair housing laws. Any of these may be obtained by calling (602) 262-7486 or (602) 534-1557 (TDD/TTY).

## **2.0 REASONABLE ACCOMMODATION FOR PERSONS WITH DISABILITIES**

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the Housing Department housing programs and related services. When such accommodations are granted, they do not confer special treatment or advantage for the person with a disability; rather, they make the program accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the Housing Department will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the Housing Department will ensure that all applicants/residents are aware of the opportunity to request reasonable accommodations.

### **2.1 COMMUNICATION**

Notifications of reexamination, inspection, appointment, eligibility status, hearings or eviction will include information about requesting a reasonable accommodation. Any notification requesting action by the applicant/resident will include information about requesting a reasonable accommodation.

### **2.2 CRITERIA FOR GRANTING AN ACCOMMODATION**

#### **A. Is the requestor a person with disabilities?**

For this purpose, the definition of a person with disabilities is different than the definition used for admission to housing. The Fair Housing definition used for this purpose is: "A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition)."

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than an apparent disability. If the disability is not apparent or documented, the Housing Department will obtain verification that the person is a person with a disability and that the requested accommodation is needed due to the disability.

#### **B. Is the requested accommodation related to the disability?**

If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the requestor will provide documentation that the requested accommodation is needed due to the disability. The Housing Department will not inquire as to the nature of the disability.

C. Is the requested accommodation reasonable?

In order to be determined reasonable, the accommodation must meet two criteria:

1. Would the accommodation constitute a fundamental alteration?

The Housing Department's business is housing. If the request would alter the fundamental business that the Housing Department conducts, that would not be reasonable.

2. Would the requested accommodation create an undue financial hardship or administrative burden?

Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the Housing Department may request a meeting with the individual to investigate and consider equally effective alternatives.

D. Generally the individual knows best what it is they need; however, the Housing Department retains the right to be shown how the requested accommodation enables the individual to access or use the Housing Department's programs or services.

If more than one accommodation is equally effective in providing access to the Housing Department's programs and services, the Housing Department retains the right to select the most efficient or economic choice.

The cost necessary to carry out approved requests, including requests for physical modifications, will be borne by the Housing Department if there is no one else willing to pay for the modifications. If another party pays for the modification, the Housing Department will seek to have the same entity pay for any restoration costs.

If the tenant requests to make physical modifications at their own expense as a reasonable accommodation, the Housing Department

will generally approve such request if it does not violate codes or affect the structural integrity and appearance of the unit.

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc.

### **3.0 OUTREACH TO FAMILIES**

The Housing Department will periodically undertake outreach methods to ensure an adequate pool of families who appear to be eligible for admission. Special outreach efforts will be undertaken to attract:

- A. Applicants necessary to achieve a broad social and economic mix throughout the housing developments;
- B. Persons with disabilities to fill specially retrofitted units.
- C. Elderly and/or single persons to occupy zero and one bedroom units.

Outreach will be undertaken through the use of public service announcements, flyers and/or paid advertisements in local newspapers, minority publications, and television and radio stations operating in the Phoenix Metropolitan area. To expand outreach efforts, City of Phoenix Housing Department information is available through the Community Information and Referral hotline, (602) 263-8856, and on its website at [www.cir.org](http://www.cir.org). This agency provides information and referrals on timely issues of vital concern to the community and maintains a directory of over 1000 social service agencies and governmental offices.

#### **4.0 RIGHT TO PRIVACY**

The Housing Department will fully comply with all Federal, State and local laws, and with rules and regulations governing confidentiality in housing. Each staff person signs a confidentiality agreement at the commencement of their employment and participates in confidentiality training. Each staff person agrees not to disclose any applicant/resident information, directly or indirectly, that is of a personal, private and confidential nature to any person, or use such information in any way, either during the term of their employment or at any time after except as described herein.

All adult members of both applicant and resident households are required to sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice.\* The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

This form must be completed for each initial certification and annual recertification. All family members who reach the age of 18 must complete form 9886 at the family's next interim examination or annual recertification.

Staff will maintain the form 9886 in the [applicant or tenant](#) file. Individual verification forms will continue to be used to collect the specific information to be verified, such as the employment verification form which requests information specific to rate and frequency for pay, as well as potential for overtime, tips, fees, and bonuses.

When the Housing Department has reason to believe that a family's circumstances have changed, or are different from the representations made on the most recent certification, the agency will send the form with the appropriate verification forms to the source.

The Housing Department will share information and obtain data from criminal justice agencies, child support enforcement agencies, the Arizona Department of Economic Security, the Arizona Guide System – Wage Inquiry, Social Security Administration and other agencies for the purpose of background screening and income verification. Applicant or tenant information will not be released unless an appropriate signed release form from the applicant or tenant is provided.

The Housing Department will comply, on a case-by-case basis, with information requests from Federal, State or local law enforcement officers regarding possible fugitive felons and/or a parole or probation violators. The Housing Department will provide, upon legitimate request, (1) the

current address, (2) Social Security number and (3) photograph (if applicable) of any recipient of assistance.

\*Applicants for housing at Sunnyslope Manor and Fillmore Gardens must sign forms 9887 and 9887-A upon initial certification, annual recertification and interim reexaminations.

## **5.0 POSTINGS**

The Housing Department will make available at appropriate offices, or post in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. Statement of Policies and Procedures governing Admission and Continued Occupancy\*;
- B. Notice of the status of the waiting list (opened or closed)\*;
- C. A listing of all the developments by name, address, number of units, address of all project offices, telephone numbers and TDD/TTY numbers\*;
- D. Income Limits for Admission\*;
- E. Utility Allowance Schedule\*;
- F. Schedule of charges for services and repairs\*;
- G. Grievance Procedure;
- H. Fair Housing Poster; and
- I. Equal Opportunity in Employment Poster.

\*Also available on the Housing Department's website: [www.phoenix.gov/housing](http://www.phoenix.gov/housing)

## ***PART II - ADMISSIONS***

### **6.0 TAKING APPLICATIONS**

Families wishing to apply for housing assistance will be required to complete an application. The application process will involve three phases.

#### **6.1 PHASE I: THE PRE-APPLICATION**

The first phase is the initial application for housing assistance or the "pre-application." This first phase results in the family's placement on the waiting list. Pre-applications are available during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., at:

**Applications and Information Office  
830 E. Jefferson St., 1st floor  
Phoenix, AZ 85034**

Pre-applications will also be mailed or faxed to interested families upon request and are available online at [www.phoenix.gov/housing](http://www.phoenix.gov/housing).

Completed pre-applications will be accepted during regular business hours at the Applications and Information Office or at designated sites or events staffed by Housing Department employees. Pre-applications obtained online at [www.phoenix.gov/housing](http://www.phoenix.gov/housing) may be submitted to the Housing Department via the internet.

The completed pre-application will be dated and time stamped upon its return to the Housing Department and will result in the family's placement on the waiting list.

Persons with disabilities who require a reasonable accommodation in completing an application may call the Housing Department to make special arrangements. A Telecommunication Device for the Deaf (TDD/TTY) is available for the deaf. The TDD/TTY telephone number is **(602) 534-5500**.

The pre-application will contain the information necessary to determine the family's unit size and position on the waiting list in accordance with any applicable preferences. It will also contain racial/ethnic data, information regarding the need for accessible units, and needs of persons with disabilities and any other Housing Department required information from each applicant head of household.

#### **6.2 PHASE II: THE FULL APPLICATION**

The second phase of the process is a full application, which will be taken at the time the family reaches the top of the waiting list and will be a much more detailed application. The full application includes the following information:

- A. Family members expected to occupy the unit;
- B. Anticipated sources and amounts of income;
- C. Allowable expense information;
- D. Information regarding any special housing needs, such as the need for barrier-free housing for persons with disabilities;
- E. Current mailing/phone contact information;
- F. Family data required for completion of the HUD Form 50058/50059; and,
- G. Current and prior family history necessary to determine the likelihood of compliance with obligations of the lease.

While the application will make inquiries necessary to determine a family's need, if any, for units retrofitted to meet the needs of mobility-, hearing-, or visually-impaired persons, such inquiries will be made in a manner that clearly reflects the Housing Department's interest in meeting such special needs and not for discriminatory purposes.

The applicant must report changes in their applicant status including changes in family composition, income, or preference factors. The Housing Department will annotate the applicant's file and will update their place on the waiting list. The changes will be confirmed with the family in writing.

### **6.3 PHASE III – ELIGIBILITY**

All applicants who successfully complete the initial screening and interview/verification process will be determined eligible for the program they selected and were processed for. Eligible files will be transferred to the program area for housing consideration.

## **7.0 ELIGIBILITY FOR ADMISSION**

All families must qualify for assistance in accordance with the criteria for eligibility as established by HUD and the Housing Department. Factors of eligibility may periodically change based upon changes in federal regulations and/or Housing Department policy. Current factors of eligibility include:

- A. Qualification as a family, single person, elderly person, near-elderly person, displaced person or remaining member of a tenant's family pursuant to the definition in 7.1.A. below;
- B. Income eligibility;
- C. Satisfaction of citizenship/eligible immigration criteria;
- D. Provision of social security numbers and/or other certifications; and
- E. Evidence that the family meets or exceeds the Housing Department's screening criteria.

## **7.1 ELIGIBILITY CRITERIA**

### **A. Family Status**

The types of families eligible for assistance include (but are not limited to):

- 1. A family with or without children. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that live together in a stable relationship.
- 2. An elderly family, which is:
  - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age; or
  - b. Two or more persons who are at least 62 years of age living together; or
  - c. One or more persons who are at least 62 years of age living with one or more live-in aides.
- 3. A near-elderly family, which is

- A A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or
  - b. Two or more persons, who are at least 50 years of age but below the age of 62, living together; or
  - c. One or more persons, who are at least 50 years of age but below the age of 62, living with one or more live-in aides.
4. A disabled family is a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
  5. A person with disabilities is a person who is disabled as defined in 42 U.S.C. 423 (the Social Security definition); is determined to have a physical, mental or emotional impairment that is expected to be of long continued and indefinite duration; is substantially impeded in his or her ability to live independently; is of such nature that the ability to live independently could be improved by more suitable housing conditions; or has a developmental disability as defined in 42 U.S.C. 6001. Persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agency for acquired immunodeficiency syndrome are not excluded. For purposes of qualifying for public housing programs, where eligibility is linked to disability status, a person whose disability is based solely on any drug or alcohol dependence is excluded.
  6. A displaced family is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a natural disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.
  7. A remaining member of a tenant family who is listed on the lease who continues to live in the public housing dwelling unit after all other family members have left. A child may remain in the unit as a remaining family member if the Housing Department permits an adult who meets the eligibility screening criteria to join the household as a new head of household.
  8. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

## B. Other Household Members

Certain persons who are not members of a “family” may still reside in a public housing unit, such as foster children, foster adults and live-in aides.

A live-in aide is a person who resides with one or more elderly persons or near-elderly persons, or persons with disabilities who is determined to be essential to the care and well-being of the persons; is not obligated for the support of the persons; and would not be living in the unit except to provide the necessary supportive services. A live-in aide has no rights or benefits under any housing program. Written verification of the need for a live-in aide will be required from a reliable, knowledgeable professional, such as a doctor, social worker or caseworker.

## C. Income eligibility

1. To be eligible for housing assistance, the family's annual income must be within the limits set by HUD. This means the family income cannot exceed 80 percent of the median income for the area and, in some cases, in order for the Housing Department to meet Housing Department-required income targeting requirements, family income cannot exceed 30 percent of the median income for the area.
2. A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8) or from a public housing program operated by another housing authority without meeting the income requirements of the Housing Department.
3. To be eligible for the Scattered Sites Housing Program, families must meet the Eligibility Criteria and those requirements mentioned in the most recent HUD-approved Section 32 Implementing Agreement. Copies of the most recently approved agreement are available on the website ([www.phoenix.gov/housing](http://www.phoenix.gov/housing)).
  - a. Families must meet the minimum eligibility requirements for all housing programs.
  - b. Families must meet the eligibility requirements listed in the Section 32 Implementing Agreement.

## D. Citizenship/Eligibility Status

1. To be eligible, a family must either:
  - a. submit a declaration of the citizenship or eligible immigration status for each family member, or
  - b. identify in writing to the Housing Department each family member who will choose not to contend that he or she has eligible immigration status.
2. Assistance under federal housing programs is restricted to citizens or non citizens who have eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)). Those who qualify as eligible immigrants are treated differently based upon their age. Immigrants who are 62 years of age or older can sign a declaration of eligible immigrant status and provide proof of age. Immigrants who are younger must sign a declaration of eligible immigrant status and provide the Housing Department one of the documents accepted by the Immigration and Naturalization Service and a signed verification consent form. Immigrants may choose not to contend that they have eligible immigrant status and still be housed in or remain in the assisted housing. So long as at least one family member is either a citizen or an eligible immigrant, the family will qualify as a "mixed family."
3. A "mixed family" which includes at least one member with citizenship or eligible immigration status, as well as other members without citizenship or eligible immigration status, may still be eligible for an assistance amount which is prorated based on the number of members of the family with citizenship or eligible immigration status (which means they will pay a higher rent than they would if all family members were either citizens or eligible immigrants.)

#### E. Eligibility of Students for Assistance at Sunnyslope Manor and Fillmore Gardens

1. The Housing Department shall determine a student's eligibility for assistance at Sunnyslope Manor or Fillmore Gardens at move-in, annual recertification, initial certification 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.

2. Assistance at Sunnyslope Manor and Fillmore Gardens shall not be provided to any individual who:
  - a. 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;
  - b. Is under the age of 24;
  - c. Is not married;
  - d. Is not a veteran of the United States Military;
  - e. Does not have a dependent child;
  - f. 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). (See Definition E in Figure 3-6);
  - g. Is not living with his or her parents who are receiving assistance at Sunnyslope Manor or Fillmore Gardens; and
  - h. Is not individually eligible to receive assistance at Sunnyslope Manor or Fillmore Gardens and has parents (the parents individually or jointly) who are not income eligible to receive assistance.
3. For a student to be eligible independent of his or her parents (where the income of the parents is not relevant), the student must demonstrate the absence of, or his or her independence from, parents. While owners may use additional criteria for determining the student's independence from parents, owners must use, and the student must meet, at a minimum all of the following criteria to be eligible for assistance at Sunnyslope Manor or Fillmore Gardens. The student must:
  - a. Be of legal contract age under state law;
  - b. 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.

- c. Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and
  - d. 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.
4. 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 assistance at Sunnyslope Manor or Fillmore Gardens.
5. If an ineligible student is a member of an applicant household or an existing household receiving assistance at Sunnyslope Manor or Fillmore Gardens, the assistance for the household will not be prorated but will be terminated in accordance with the guidance in Section 19.

NOTE: The Housing Department will not evict or require an ineligible student to move from a unit as long as the student is in compliance with the terms of the lease.

#### F. Social Security Number Documentation

Families are required to disclose social security numbers for all family members age 6 and older prior to admission or certify that an individual does not have a Social Security number. Refusal to provide a Social Security number or a certification renders an applicant ineligible for housing. Verification will be completed through the provision of a valid Social Security card issued by the Social Security Administration or other forms of verification deemed acceptable by the Housing Department. Acceptable alternate forms of verification will include: benefit award letters, payroll records, driver's license and INS letters/documents. This list may be periodically amended. Housing Department staff may authorize the use of other forms of verification on a case-by-case basis.

If a family member age 6+ has not been assigned a social security number (SSN) by the Social Security Administration (SSA) the following requirements must be met:

1. If family member is age 17 or under, a certification, in the form prescribed by the Housing Department must be executed by the parent or legal guardian.
2. If family member without a SSN is age 18 or older, a certification, in the form prescribed by the Housing Department must be executed by the applicable adult household member.

Failure of the family member to comply will result in a determination of ineligibility and the family will be notified accordingly.

#### G. Prohibition of Assistance to Noncitizen Students at Sunnyslope Manor and Fillmore Gardens

Noncitizen students and their noncitizen families may not receive assistance. Noncitizen students are not eligible for continuation of assistance, prorated assistance, or temporary deferral of termination of assistance.

1. A noncitizen student is defined as an individual who is as follows:
  - a. A resident of another country to which the individual intends to return;
  - b. A bona fide student pursuing a course of study in the United States; and
  - c. A person admitted to the United States solely for the purpose of pursuing a course of study as indicated on an F-1 or M-1 student visa.
2. This prohibition applies to the noncitizen student's noncitizen spouse and children. However, spouses and children who are citizens may receive assistance. For example, a family that includes a noncitizen student married to a U.S. citizen is a mixed family.

#### H. Signing Consent Forms

1. In order to be eligible, each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:

- a. A provision authorizing HUD or the Housing Department to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy; and
  - b. A provision authorizing HUD or the Housing Department to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
  - c. A provision authorizing HUD to request income information from the SSA for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits; and
4. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

## **7.2 SCREENING CRITERIA**

Federal regulations provide that any organization involved in the administration of federally assisted housing programs may deny admission to a family whose habits and practices may reasonably be expected to have a detrimental effect on a housing development or other residents who live there.

The Housing Department in its capacity as a federally-funded housing provider and a landlord is committed to providing housing to only those families whose prior tenancies give rise to the belief that they will use and occupy the dwelling unit and common areas in accordance with the provisions of the Housing Department's lease.

To this end, the Housing Department will implement a very aggressive program of screening. Such screening will occur in a manner so as to collect information about the family which is objective and reasonable.

- A. The Housing Department will consider objective and reasonable aspects of the family's background prior to final eligibility determination.
  1. An applicant's past performance in meeting financial obligations, especially rent.
  2. A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other tenants;

3. History of criminal activity by any household member involving crimes of physical violence against persons or property and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well being of other tenants or staff or cause damage to the property;
  4. Having committed fraud in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from; and
  5. History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others.
  6. Director may suspend any or all screening criteria provided it is suspended program-wide and not on an individual basis.
- B. The Housing Department will verify the information provided by the applicant to determine their ability to comply with the essential elements of the lease. These verifications may include but are not limited to:
1. A rental history check of all adult family members;
  2. A review of public court records;
  3. A credit report;
  4. A criminal background check on all adult household members, including live-in aides. This check will be made through State or local law enforcement or court records. Where the individual has lived outside the local area, the Housing Department may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC);
  5. A home visit. The home visit provides the opportunity for the family to demonstrate their ability to maintain their home in a safe and sanitary manner. This inspection considers cleanliness and care of rooms, appliances, and appurtenances. The inspection may also consider any evidence of criminal activity.

Based upon these verifications, the Housing Department will determine if the applicant was chronically late with rent payments, has been

evicted for nonpayment of rent or had other legal action initiated against him/her for debts owed. Any of these circumstances can be grounds for an ineligibility determination, depending on the amount of control the applicant had over the situation.

### C. Criminal Background Checks

All federally assisted housing is intended to provide a safe place to live and raise families. The Housing Department will implement criminal background screening in order to:

1. Help create and maintain a safe and drug-free community.
2. Keep our program participants free from threats to their personal and family safety.
3. Prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents.

As required by HUD, the Housing Department will screen applicants as thoroughly and fairly as possible. Criminal background checks will apply to **all** members of the household who are 18 years of age or older. [For households applying for the Scattered Sites Housing Program, background checks for criminal activity and sex offenses will apply to all members of the household who are 12 years of age or older.](#)

The Housing Department will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated.

Applicant families will be screened to determine whether, based on their past behavior, such behavior could reasonably be expected to result in noncompliance with the public housing lease. The Housing Department will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the development environment, other tenants, Housing Department employees, or other people residing in the immediate vicinity of the property. Otherwise eligible families may be denied admission if they fail to meet the suitability criteria.

[The status of being a victim of domestic violence, dating violence, sexual assault or stalking is not a reason for the denial of one's application to be a tenant in the City's Housing Programs if the](#)

applicant otherwise qualifies for assistance for admission to the program.

The Housing Department will consider any evidence of "mitigating circumstances" when making its final determination. It is not the intent of the Housing Department to exclude families, but rather to include families that will contribute to the quality of life for all housing occupants.

### **7.3 GROUNDS FOR DENIAL**

The Housing Department is not required or obligated to assist applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process or provide false, inaccurate or incomplete information;
- C. Have failed to respond to a written request for information or a request to declare their continued interest in the program;
- D. Have a history of not meeting financial obligations, especially rent;
- E. Do not have the ability to maintain (with reasonable accommodation) their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants;
- F. Currently owe rent or other amounts to any housing authority or privately-owned HUD-subsidized property in connection with their public housing or Section 8 programs;
- G. Have a family household member who has been terminated for cause under [any assisted housing program](#);
- H. Have committed fraud, bribery or any other corruption in connection with any federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from. Applicants will be denied admission if convicted of a felony for fraud, bribery or corruption within the previous two year period;
- I. Have a history of disturbing neighbors or destruction of property;

- J. Have a history of criminal activity by any household member involving crimes of physical violence against persons or property and any other criminal activity, including drug-related criminal activity that would adversely affect the health, safety, or well being of other tenants or staff or cause damage to the property.
  - 1. Applicants with one or more convictions within the last five years for a felony for drug-related criminal activity or violent criminal activity, or who demonstrate a pattern of three or more violent criminal or drug-related criminal incidents within the last five years, are prohibited from admission.
  - 2. Applicants with one or more convictions within the last two years for a felony for non-violent criminal activities, or who demonstrate a pattern of three or more non-violent criminal incidents within the last two years, will be prohibited from admission.
- K. Were evicted from federally assisted housing because of drug-related criminal activity involving the personal use or possession for personal use of a controlled substance. These applicants may not be admitted for three years from the date of eviction. The Housing Department may waive this requirement if the person who engaged in the drug-related activity:
  - 1. Has successfully completed a supervised drug or alcohol rehabilitation program; or
  - 2. is no longer a member of the household.
- L. Were evicted from federally assisted housing because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802. These applicants are prohibited from admission for five years from the date of the eviction.
- M. Are currently engaging in illegal use of a drug; “currently engaging” is defined as the previous 12 months from the date of application.
- N. Who have shown a pattern of use of illegal drugs that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. A pattern is defined as a felony conviction for illegal drug use within the previous two year period or three or more incidents involving illegal drug use within the previous two year period.

- O. Whose abuse of alcohol or pattern of abuse of alcohol would interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. These applicants are prohibited from admission if convicted for an alcohol-related felony incident within the previous two year period, or demonstrate a pattern of three or more alcohol-related incidents within the previous two year period.
- P. Have engaged in threatening or abusive or violent behavior towards any Housing Department staff or residents;
- Q. Applicants who are fugitive felons and are fleeing to avoid prosecution, or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the residents or household members flee, or in the case of the state of New Jersey, is a high misdemeanor, are prohibited from admission.
- R. Applicants on parole, probation, rehabilitation and/or any sentencing requirement must successfully complete the program with no subsequent criminal activity within two years from the latter of the date of release from prison or successful completion of the above program(s).
- S. **Denied for Life:** If any family member has been convicted of manufacturing or producing methamphetamine (speed) on the premises of federally assisted property;
- T. **Denied for Life:** If any family member has ever been convicted of a felony and/or has been convicted of 2 or more misdemeanor sexual offenses within a rolling 24 month period or is currently required or has ever been required to register under a State sex offender registration program.

#### **7.4 INFORMAL HEARING PROCEDURES FOR APPLICANTS**

If the Housing Department determines that an applicant does not meet the criteria for receiving housing assistance, the Housing Department will promptly provide the applicant with written notice of the determination. The notice will contain a brief statement of the reason(s) for the decision and state that the applicant may request an informal hearing of the decision within 15 business days of the denial. If the household is rejected because of criminal activity, the notice will offer the applicant a copy of the criminal records and an opportunity to dispute the accuracy and relevance of the record. The Housing Department notice will describe how to obtain the informal hearing.

The Housing Department shall give the applicant the opportunity for an informal hearing in accordance with the following procedures:

- A. Hearings must be requested in writing and the informal hearing will be scheduled within thirty (30) calendar days of the receipt of the applicant's written request.
- B. The Housing Department will notify the applicant in writing of the hearing date, time and location of the hearing.
- C. The hearing may be continued only upon the showing of good cause by the applicant or the Housing Department.
  - I. Hearing shall be conducted by any person designated by the Housing Department, who will be known as the hearing officer and will be a person other than the person or a subordinate of the person who made or approved the decision under review.
  - J. The hearing officer will conduct the informal review and decide the issue.
  - K. Applicant(s) shall be given an opportunity to present oral or written objections to the Housing Department's decision.
  - L. The Hearing Officer shall notify the applicant in writing of the final decision within fifteen (15) working days after the informal review. For applicants of Sunnyslope Manor and Fillmore Gardens, the Hearing Officer shall notify the applicant in writing of the final decision within five (5) working days. This notice shall include a brief statement of the reasons for the final decision.
  - M. The Housing Department will prepare and retain a detailed record of the proceedings for at least three (3) years after the review date. A transcript is not required.

If the Housing Department determines that an applicant family is ineligible because an attempt to verify eligible immigration status with the INS was unsuccessful, the family shall have 30 days from the receipt of the Notice of Ineligibility or from receipt of the INS appeal decision to request an informal hearing on the ineligibility determination.

## **8.0 MANAGING THE WAITING LIST**

### **8.1 OPENING AND CLOSING THE WAITING LIST**

Opening of any waiting list will be announced with a public notice stating that applications for housing will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation and also by available minority media. The public notice will state any limitations to who may apply.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program and such applicants will not lose their place on other waiting lists when they apply for public housing. The notice will include the Fair Housing logo and slogan and will be in compliance with Fair Housing requirements.

If the Housing Department determines that the existing waiting list contains an adequate pool of applicants, the Housing Department may stop accepting new applications or may accept only applications meeting criteria adopted by the Housing Department. Closing of any waiting list will also be announced with a public notice. The public notice will state the date the waiting list will be closed and for what bedroom sizes. The public notice will be published in a local newspaper of general circulation and also by available minority media.

### **8.2 ORGANIZATION OF THE WAITING LIST**

The waiting list will be maintained by:

- A. Eligibility for local preferences;
- B. Bedroom size; and
- C. Date and time of application.

### **8.3 APPLICANTS NEARING THE TOP OF THE WAITING LIST**

Applicants with local preferences or preferences for designated properties that are near the top of the waiting list will be invited to complete a full application and be scheduled for an interview. This begins the verification process. At this time:

- A. The applicant's local preferences will be verified. (Local preferences are explained in Section 9.1.)

- B. If the applicant is applying for a designated property, age will be verified. When applying for a designated property, applicants 62 years of age and older will be given preference. If there are no applicants on the waiting list that are over 62 years of age, disabled applicants between the ages of 50 and 61 will be processed. If there are no applicants in either of these categories, disabled applicants under the age of 50 will be processed.
- C. Applicants requiring a wheelchair accessible unit or applicants who have indicated willingness to accept an efficiency apartment will be processed in accordance with item B above. However, priority will be given to these applicants over those who have indicated that they are unwilling to accept an efficiency apartment or who have not indicated the need for a wheelchair accessible unit.

If the applicant no longer qualifies for preferences, the applicant's name will be returned to the waiting list indicating non-preference status. The Housing Department must notify the applicant in writing of this determination.

#### **8.4 WITHDRAWAL OF APPLICANTS FROM THE WAITING LIST**

The Housing Department will not withdraw an applicant's name from the waiting list unless:

- A. The applicant requests in writing that his/her name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program; or
- C. The Housing Department has made reasonable efforts to contact the applicant to update the waiting list, but has been unsuccessful. Correspondence (or other methods designated by an applicant with a disability) sent by first class mail to the latest address that is returned by the Post Office will constitute documentation of reasonable effort to contact the applicant;

#### **8.5 REJECTING AN APPLICATION FOR HOUSING**

The Housing Department may reject an application and thus remove an applicant's name from the waiting list under the following circumstances:

- A. The Housing Department has notified the applicant of its intention to remove the applicant's name because the applicant is no longer eligible for housing;
- B. The applicant fails to pay an outstanding balance owed to any assisted housing program;
- C. The applicant fails to meet home visit requirements (as applicable);
- D. The applicant fails the Housing Department's screening because of a documented tenant history of:
  - 1. Poor past performance in meeting financial obligations, especially rent;
  - 2. A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences that may adversely affect the health, safety or welfare of other tenants or cause damage to the unit or development;
  - 3. Involvement in criminal activity on the part of any applicant family member that would adversely affect the health, safety or welfare of other tenants;
  - 4. A record of eviction from housing or termination from residential programs;
  - 5. Inability or unwillingness to comply with the terms of the lease;
  - 6. Misrepresentation of any information related to eligibility, award of preference for admission, allowances, family composition or rent.

## **8.6 MISSED APPOINTMENTS**

The Housing Department will allow the applicant to reschedule an appointment or interview for good cause. Applicants will be given two (2) opportunities to reschedule. Under extenuating circumstances, the Housing Department will reschedule with prior approval of a supervisor.

## **8.7 NOTIFICATION OF ADVERSE ACTIONS**

Any applicants, with mitigating circumstances, will be notified by the Housing Department, in writing, that they have ten (10) business days from the date of the written correspondence to provide supporting

documentation that the adverse action has been satisfied. If the applicant fails to respond within the timeframe specified, the Housing Department will remove the applicant's name from the waiting list. Reasonable accommodations will be made if the applicant's failure to respond is due to a disability. The applicant will be reinstated based on the Housing Department verifying the disability.

## **9.0 TENANT SELECTION AND ASSIGNMENT PLAN**

### **9.1 INCOME TARGETING AND LOCAL PREFERENCES**

The Housing Department will select families from the waiting list in accordance with HUD requirements (including the requirement that at least 40% of new admissions must be at or below 30% of the area median,) and local preferences.

The Housing Department will select applicants based on the following ranked “local preferences” within each bedroom size category:

A. The following are the highest ranked preferences and are equally weighted. If an applicant qualifies for one of these preferences, they will be housed before other applicants.

1) Families referred by a law enforcement agency for witness protection or other safety concern.

1) Families displaced by City of Phoenix action.

B. Families that qualify for the following equally weighted preferences are housed after the highest ranked preferences, but before applicant with no preference.

2) Residents of the City of Phoenix: Families who live, work or have been hired to work in the City of Phoenix will qualify for this preference.

2) Working Families: Families with at least one adult who is employed. This preference is extended equally to elderly families or families whose head or spouse is receiving income based on their inability to work.

Applicants with one or more local preference will be housed before other applicants. Date and time of application will be used to determine the sequence of tenant selection after applying the above prescribed preferences.

### **9.2 DESIGNATED HOUSING**

A. Mixed Population

Washington Manor and McCarty Apartments are designated as mixed population housing communities.

These sites are designated for the elderly and disabled.

Vacancies will be filled based on date and time of application.

**B. Elderly Only**

Maryvale Parkway Terrace, Pine Tower Apartments, Sunnyslope Manor and Fillmore Gardens are designated as elderly only housing communities.

In filling vacancies, first priority will be given to elderly applicants on the wait list. If no elderly applicants are on this list, the next priority will be given to the disabled near-elderly applicants. If no near-elderly disabled applicants are on the list, units will be offered to non-elderly disabled applicants. Applicants are selected from the waiting list using the preferences outlined above.

Note: Fillmore Gardens and Sunnyslope Manor have individual site based wait lists.

**9.3 ACCESSIBLE UNITS**

Accessible units will be first offered to applicants who may benefit from the accessible features. The same preference system will be used. If there are no applicants who would benefit from the accessible features, units will be offered to the next applicant at the top of the wait list. Applicants, however, must sign a release form stating they will accept a transfer (at their own expense), when an applicant requiring an accessible unit applies. A resident will be given an advance 30-day notice to transfer.

**9.4 ASSIGNMENT OF BEDROOM SIZES**

A. The following guidelines will be considered in determining each family's unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons.

In determining bedroom size, the Housing Department will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, children who are temporarily away at school, or children who are temporarily in foster-care.

B. In addition, the following considerations may be taken in determining bedroom size:

1. Children of the same sex will share a bedroom.
2. Children of the opposite sex, both under the age of 6 years will share a bedroom.
3. Head of household and children will not be required to share a bedroom.
4. Foster - adults and/or foster - children will not be required to share a bedroom with family members. However, foster families will be subject to the same occupancy standards as other eligible families with minor children.
5. Live-in aides will get a separate bedroom.
6. Single pregnant females will occupy a one- bedroom unit.

C. Exceptions to normal bedroom size standards include the following:

1. Units smaller than assigned through the above guidelines - A family may request a smaller unit size than the guidelines allow. The Housing Department will allow the smaller size unit so long as generally no more than two (2) people per bedroom are assigned.
2. Units larger than assigned through the above guidelines - A family may request a larger unit size than the guidelines allow. The Housing Department will allow the larger size unit if the family provides a verified medical need that the family be housed in a larger unit.
3. Larger units may be offered in order to improve the marketing of a development suffering a high vacancy rate.

4. Exceptions to the largest permissible unit size may be made in case of reasonable accommodations for a person with disabilities.
5. **The applicant family must choose the unit size(s) for which they qualify.** Factors that might affect the family's decision could include cultural standards, length of time the family would have to wait for smaller versus larger units, and the age, relationship and gender of family members. Based on the family's choice, they will be placed on the appropriate waiting list by unit size.
6. The family decides which size of unit they wish to be listed for (corresponding to the smallest, largest or a unit in between for which they qualify.)
7. When a family is offered a unit, if they no longer qualify for the unit size corresponding to the waiting sub list, they will be moved to the appropriate sub list, retaining their preferences and date and time of application.
8. A family that chooses to occupy a smaller size unit must agree not to request a transfer until their family size changes or 24 months from initial occupancy.

## **9.5 DECONCENTRATION POLICY**

Beginning July 2003, during the development of the Housing Department's Annual Plan each year, the Housing Department will calculate the average family incomes at all of our developments and prepare an analysis, in accordance with HUD regulations and guidelines, which identifies whether any of our developments are outside of the established income range set by HUD.

It is the Housing Department's policy pursuant to HUD regulations to provide for deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. If a deconcentration analysis completed on an annual basis reveals that there are developments that would be subject to deconcentration strategies, the Housing Department may skip families on the waiting list to reach other families with a lower or higher income. This will be accomplished in a uniform and non-discriminating manner.

The Housing Department will affirmatively market its housing to all eligible income groups.

## **9.6 OFFER OF A UNIT**

When the Housing Department anticipates that a unit will become available, the Housing Department will contact the first applicant on the waiting list with the highest priority for this type of unit.

The Housing Department will attempt to contact the applicant first by telephone. If the applicant cannot be reached by telephone, the Housing Department will notify the applicant by first class mail. The applicant will be given five (5) business days from the date of the letter to contact the Housing Department regarding the offer.

The applicant will be offered the opportunity to view the unit. The applicant will have one (1) business day to accept or reject the unit. All offers and the applicant's decision to accept or reject the unit, including the reason for rejecting the unit, will be documented in the applicant file.

## **9.7 REJECTION OF A UNIT**

### **A. With Good Cause**

Applicants who refuse an offer of a unit with good cause will not forfeit their place on the wait list.

Good cause refusal of unit offers include when the applicant is willing to move but is unable to do so at the time of the unit offer or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. Examples of this hardship include:

1. The unit is not ready for move-in at the time of the offer of housing;
2. Inaccessibility to source of employment, education or job training, children's day care or educational program for children with disabilities;
3. Acceptance of the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation, such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;

4. A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
5. The unit is inappropriate for the applicant's disabilities or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move;
6. The unit has lead-based paint and the family includes children under the age of six; or
7. An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing.

The applicant should be able to document that the hardship claimed is good cause for refusing an offer of housing. If good cause is verified, the refusal of the offer will not require that the applicant be dropped to the bottom of the waiting list or otherwise affect the family's position on the waiting list.

B. Without Good Cause

If an applicant receives an offer of housing and rejects the offer without good cause, the Housing Department will remove the applicant from the waiting list and require the applicant to reapply if he or she wishes to receive another unit offer.

C. Deconcentration

If the Housing Department skips over applicants on the waiting list in order to meet the de-concentration goal and the applicant rejects the unit, the applicant will not lose their place on the waiting list and will not be otherwise penalized. This will not be counted as a refusal.

## **9.8 ACCEPTANCE OF UNIT**

The family will be required to sign a lease that will become effective no later than one (1) business day after the date of acceptance or the business day after the day the unit becomes available, whichever is later.

The applicant will be provided a copy of the lease that [includes the grievance procedures and a move-in inspection report](#). These documents will be explained in detail. The applicant will sign a certification that they

have received these documents and that they have reviewed them with Housing Department staff. The certification will be filed in the tenant's file.

The signing of the lease and the review of financial information are to be privately handled. The head of household and all adult family members will be required to execute the lease prior to admission. One executed copy of the lease will be furnished to the head of household and the Housing Department will retain the original executed lease in the tenant's file. A copy of the grievance procedure will be attached to the resident's copy of the lease. [The grievance procedure is available at each rental office and on the internet \(\[www.phoenix.gov/housing\]\(http://www.phoenix.gov/housing\)\) for review.](#)

The family will pay a security deposit at the time of lease signing. The security deposit will be equal to the Total Tenant Payment or \$100.00 whichever is greater, except for Scattered Sites properties or for units at Sunnyslope Manor and Fillmore Gardens. The security deposit for Scattered Sites, Sunnyslope Manor and Fillmore Gardens residents is always equal to one month's rent, not including the utility allowance.

In exceptional situations, the Housing Department reserves the right to allow a new resident to pay their security deposit in up to six (6) monthly payments, with one sixth being paid in advance and the remaining balance paid within the next five consecutive months. This shall be at the sole discretion of the Housing Department and even in cases of hardship, the Housing Department reserves the right to require a minimum security deposit of \$50.00 [or extend the repayment period with prior approval of a supervisor.](#)

In the case of a move within public housing, the security deposit for the first unit will be transferred to the second unit. Any outstanding charges for damages will also be transferred over.

In the case of a move from a public housing dwelling unit to another assisted housing program unit, the Housing Department will conduct the required move-out inspection and determine what charges, if any, will be deducted from the existing security deposit. If there are no such deductions the security deposit will be transferred to the new unit. If there are any charges, these charges will be deducted from the security deposit and any remaining balance will be credited to the tenant's account. The Housing Department will establish the security deposit for the new unit based upon the current security deposit policy and the family will be required to pay the new deposit amount in effect at that time.

The first month's rent is determined based on the date the tenant moves into a unit. The first month's rent is calculated by dividing the monthly rate

by 30 days and multiplying the product by the number of days left in the month. If there are 31 days in the month, the 31<sup>st</sup> day is not counted in the calculation.

Rent for Sunnyslope Manor and Fillmore Gardens residents will be prorated based on actual days in the month.

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

The gross annual income of the family is used to determine income both for eligibility and rent. Gross annual income includes sources of income as described at 24 CFR part 5, subpart F, and as periodically revised by HUD.

Definitions and determinations contained in this section reflect local decisions governing certain aspects of income and is not an all inclusive list of sources of income to be counted.

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

### **10.1 INCOME**

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

1. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date;
3. Are derived from assets to which any member of the family has access that are not specifically excluded by Federal regulations; and,
5. Are not specifically excluded from annual income.

B. Annual income includes, but is not limited to:

1. Income from Employment

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services will be included in the income determination.

2. Income from Real or Personal Property

Interest, dividends, and other net income of any kind from real or personal property will be included. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

If a family permanently transfers assets to an irrevocable trust not under the control of any family member, the value of the trust is not included as part of the net family assets. Income distributed from the trust is included in Annual Income.

If a family disposes of business or family assets for less than fair market value (including into a nonrevocable trust) the Housing Department will consider the net value of those assets for two years following the date of divestiture for less than fair market value. This provision does not apply to assets divested in a foreclosure, bankruptcy, or in a divorce or separation settlement when the applicant or tenant family received some important consideration not measurable in dollar terms.

3. Income from Social Security, Pensions, Retirement Funds and Other Similar Sources

The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount will be included. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)

4. Adjustments for Prior Overpayment of Benefits

If an agency is reducing a family's benefits to adjust for a prior overpayment (e.g., social security, SSI, TANF, or unemployment benefits), the Housing Department will count the amount that is actually provided after the adjustment.

5. Income in Lieu of Earnings

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay will be included. Any payments that will begin during the next 12 months must be included.

6. Income from Welfare Assistance

If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.

If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted as income.

7. Income of Minors

Only certain sources of income to a minor will be included when determining the family's gross annual income. Benefit income of a minor (such as social security or TANF) as well as any unearned income of a minor, such as interest on a savings account, will be included in family gross income. None of the earned/wage income of a minor will be included.

8. Income of Temporarily Absent Family Members

Family composition is a self-certification by the head/co-head of household. It is the policy of the Housing Department to include income of all persons expected to reside in the unit in the upcoming 12-month period. If one or more family members will be absent from the unit for any portion of the 12 month period covered by the certification, the absent family member's income will be included for

the full 12 month period, even if the income will not be available to the household for the period of the expected absence.

If the absent family member is the head of household or spouse, his/her full income will be included as income to the household even if he/she is not expected to occupy the unit nor to be listed on the lease unless there is adequate documentation that the head or spouse is now permanently absent from the family/unit.

If the head or spouse is permanently absent from this unit, the change in family composition must be verified. Acceptable forms of verification will include legal separation papers, divorce decree, evidence of institutionalization or affidavit from head of household. Without acceptable verification the Housing Department will continue to include the income of the absent family member as if he/she were only "temporarily absent".

9. Income of Permanently Confined Family Members

An individual permanently confined to a nursing home or hospital may not be named as family head, spouse, or co-head but may continue as a family member at the family's discretion. The family has a choice with regard to how the permanently confined individual's income will be counted. The family may elect either of the following:

- a. Include the individual's income and receive allowable deductions related to the medical care of the permanently confined individual; or
- b. Exclude the individual's income and not receive allowances based on the medical care of the permanently confined individual.

10. Regular Recurring Contribution or Gifts

The Housing Department will include as income only those cash and in-kind contributions which the family expects to receive on a regular recurring basis. Staff may use credit reports to determine the potential for such recurring gifts, in addition to signed statements by donors, or affidavits by the recipient.

If an adult family member "barter" labor for goods rather than monetary compensation, the agency may establish a cash value for the personal service and use it as income to the household.

Non-cash gifts such as groceries will not be included. Groceries and/or contributions paid directly to the child care provider by persons not living in the unit are excluded from annual income.

11. Income from a Business

The net income from a business or from rental of real or personal property will be included as income to the household.

Staff will calculate the net income from a business by deducting from the gross income the following expenses: straight-line depreciation, the interest portion of loan payments, and all other expenses of the business which are routine expenses of the business, and not related to business expansion or capital improvements.

In addition to net income, any salaries or other amounts distributed to family members from the business must be included, and cash or assets withdrawn by family members, except when the withdrawal is a reimbursement of cash or assets invested in the business.

12. Lump-Sum Payments to be Counted as Income

The Housing Department will include only lump-sum payments for the delayed start of a periodic amount as income to the household. These are amounts received in one amount but were supposed to be paid periodically (e.g. unemployment benefits.) Such receipts are provided in one amount because of circumstances such as processing delays. All other lump sum payments will be treated as an asset.

In the event that a lump sum payment includable in income requires an increase in TTP for the period in which it was received, Housing Department will require repayment on a prospective basis rather than a retroactive basis in all such instances. This method will result in an increased TTP over a 12-18 month period and allows for the gradual repayment of the monies owed for the period of time that the Department "carried" the family while they were awaiting the benefit payments. If a family moves out during this period, there may be a retro charge for the balance owed on the lump sum.

In the event the family receives a lump-sum-payment which includes payment for a period of time that the family was not

occupying the dwelling unit, the Housing Department will not include that portion of the lump sum payment.

13. Alimony and Child Support

A court-ordered decree will serve as third party verification of the amount of alimony and child-care income expected to be received by the family. No other form of verification is required unless the family asserts that they are receiving an amount which differs from the decree.

In this instance the Housing Department must verify:

- a. the amount which is actually being received; and
- b. that the family has made all reasonable effort to collect the full amount due, including evidence of filing with courts or agencies responsible for enforcement of the payments due.

If the family has obtained legal assistance and there is documentation that the family has made an appointment for the express purpose of pursuing back payments, the Housing Department will consider this as an appropriate measure.

When third party verification cannot be obtained which counters the decree, the amount in the decree will be considered as income to the household.

14. Treatment of Military Pay

The military pay of the head of household or spouse, including allowances, with the exception of combat/hazardous duty pay, will be included as income to the household, even if the head/co-head or spouse is not listed on the lease. However, if the absent head/co-head in the military has income from a job outside the military jobs or income from personal assets these income sources will not be counted as income to the family.

If the family receives an allotment from an adult child in the military on a regular recurring basis, only the amount of the allotment will be included as income and not the full military pay.

In instances where the adult child in the military is listed on the lease he/she will be treated as a temporarily absent family member

and the full amount of pay, including all regular allowances, will be counted as income to the household.

Verification of the military pay and regular allowances will be solicited first from the unit commander on a Housing Department form, unless the military requires a different form for verification purposes, in which case the military's form will be used. If the Housing Department is unable to receive third party verification from the military, a review of documents will be undertaken. The spouse/co-head must cooperate by providing staff with required information such as: unit identification/address, rank, serial/social security number. Failure to cooperate will result in a denial of admission or termination of tenancy for a participating family.

15. Assets

- a. Annual income includes amounts derived from assets to which family members have access. Assets are items of value that may be turned into cash. A savings account is a cash asset. The bank pays interest on the asset. The interest is the income from that asset.

Some belongings of value are not considered assets. Necessary personal property is not counted as an asset, such as clothing, furniture, cars, wedding rings or other jewelry not held as an investment, interests in Indian Trust land, term life insurance policies where there is no cash value, assets that are part of an active business, assets that are not effectively owned by the applicant and assets that are not accessible and provide no income to the applicant.

The calculation to determine the amount of income from assets to include in annual income considers both of the following:

1. The total cash value of the family's assets; and
  2. The amount of income those assets are earning or could earn.
- b. The rule for calculating income from assets differs depending on whether the total cash value of family assets is \$5,000 or less, or is more than \$5,000.

To comply with the rule for determining the amount of income from assets, it is necessary to first determine whether the total "cash value" of family assets exceeds \$5,000.

The "cash value" of an asset is the market value less reasonable expenses that would be incurred in selling or converting the asset to cash, such as the following:

1. Penalties for premature withdrawal;
2. Broker and legal fees; and
3. Settlement costs for real estate transactions.

The cash value is the amount the family could actually receive in cash, if the family converted an asset to cash.

If assets are owned by more than one person, the assets will be prorated to the percentage of ownership. If no percentage is specified or provided by a state or local law, the assets will be prorated evenly among all owners.

If an asset is not effectively owned by an individual, it is not counted as an asset. An asset is not effectively owned when the asset is held in an individual's name, but (a) the asset and any income it earns accrue to the benefit of someone else who is not a member of the family, and (b) that other person is responsible for income taxes incurred on income generated by the assets.

- c. If the total cash value of all the family's assets is \$5,000 or less, the actual income the family receives from assets is the amount that is included in annual income as income from assets.

When net family assets are more than \$5,000, annual income includes the greater of the following:

1. Actual income from assets; or
  2. A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets.
- d. Trusts: A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers

property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries). A trust can contain cash or other liquid assets or real or personal property that could be turned into cash. Generally, the assets are invested for the benefit of the beneficiaries. Trusts may be revocable or nonrevocable. A revocable trust is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account. When the creator sets up a nonrevocable trust, the creator has no access to the funds in the account. The beneficiary frequently will be unable to touch any of the trust funds until a specified date or event (e.g., the beneficiary's 21st birthday or the grantor's death). In some instances, the beneficiary may receive the regular investment income from the trust but not be able to withdraw any of the principal. The beneficiary and the grantor may be members of the same family. A parent or grandparent may have placed funds in trust to a child. If the trust is revocable, the funds may be accessible to the parent or grandparent but not to the child.

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account.

If any member of the tenant family has the right to withdraw the funds in the account (revocable), the trust is considered to be an asset and is treated as any other asset. The cash value of the trust (the amount the family member would receive if he or she withdrew all that could be withdrawn) is added to total net assets. The actual income received is added to actual income from assets.

If no family member has access to either the principal or income of the trust at the current time, (nonrevocable) the trust is not included in the calculation of income from assets or in annual income. If only the income (and none of the principal) from the trust is currently available to a family member, the income is counted in annual income, but the trust is not included in the calculation of income from assets.

If a tenant sets up a nonrevocable trust for the benefit of another person while residing in assisted housing, the trust is considered an asset disposed of for less than fair market value. If the trust has been set up so income from the trust is regularly reinvested in the trust and is not paid back to the creator, the trust is

calculated as any other asset disposed of for less than fair market value for two years and not taken into consideration thereafter.

When a tenant places an asset in a nonrevocable trust but continues to receive income from the trust, the income is added to annual income and the trust is counted as an asset disposed of for less than market value for two years. Following the two-year period, the Housing Department will count only the actual income distributed from the trust to the tenant.

The beneficiary of a trust may receive funds from the trust in different ways. A beneficiary may receive the full value of a trust at one time. In that instance the funds would be considered a lump sum receipt and would be treated as an asset. A trust set up to provide support for a person with disabilities may pay only income from the trust on a periodic basis. Occasionally, however, a beneficiary may be given a portion of the trust principal on a periodic basis. When the principal is paid out on a periodic basis, those payments are considered regular income or gifts and are counted in annual income.

A special needs trust is a trust that may be created under some state laws, often by family members for disabled persons who are not able to make financial decisions for themselves. Generally, the assets within the trust are not accessible to the beneficiary.

If the beneficiary does not have access to income from the trust, then it is not counted as part of income. If income from the trust is paid to the beneficiary regularly, those payments are counted as income.

- e. Annuities: An annuity is a contract sold by an insurance company designed to provide payments, usually to a retired person, at specified intervals. Fixed annuities guarantee a certain payment amount, while variable annuities do not, but have the potential for greater returns. A hybrid annuity (also called a combination annuity) combines the features of a fixed annuity and a variable annuity. A deferred annuity is an annuity that delays income payments until the holder chooses to receive them. An immediate annuity is one that begins payments immediately upon purchase. A life annuity continues to pay out as long as the owner is alive. A single-life annuity provides income benefits for only one person. A joint life annuity is

issued on two individuals, and payments continue in whole or in part as long as either individual is alive. Generally, a person who holds an annuity from which he or she is not yet receiving payments will also be earning income. In most instances, a fixed annuity will be earning interest at a specified fixed rate similar to interest earned by a CD. A variable annuity will earn (or lose) based on market fluctuations, as in a mutual fund.

Most annuities charge surrender or withdrawal fees. In addition, early withdrawal usually results in tax penalties. When verifying an annuity, the Housing Department will ask the verification source whether the holder of the annuity has the right to withdraw the balance of the annuity. If the holder of the annuity has no right to withdraw the balance of the annuity, the annuity is not treated as an asset. Generally, when the holder has begun receiving annuity payments, the holder can no longer convert it to a lump sum of cash. In this situation, the holder will receive regular payments from the annuity that will be treated as regular income, and no calculations of income from assets will be made. However, the amount that the holder invested in the annuity will not be counted as income.

When an applicant or tenant has the option of withdrawing the balance in an annuity, the annuity will be treated like any other asset. If total net assets exceed \$5,000, it will be necessary to determine the cash value of the annuity in addition to determining the actual income earned. In most instances, an annuity from which payments have not yet been made is earning income on the balance in the annuity. A fixed annuity will earn income at a fixed rate in the same manner that a CD earns income. A variable annuity will earn (or lose) based on current market conditions, as with a mutual fund. The owner will need to verify with the insurance agent or other appropriate source: (a) The right of the holder to withdraw the balance (even if penalties are involved); (b) The basis on which the annuity may be expected to grow during the coming year; (c) The surrender or early withdrawal penalty fee; (d) The tax rate and the tax penalty that would apply if the family withdrew the annuity.

The cash value will be the full value of the annuity, less the surrender (or withdrawal) penalty, and less any taxes and tax penalties that would be due. The actual income is the balance in the annuity times the percentage (either fixed or variable) at which the annuity is expected to grow over the coming year.

(This money will be reinvested into the annuity, but it is still considered actual income.) The imputed income from the asset is calculated only after the cash value of all family assets has been determined. Imputed income from assets is calculated on the total cash value of all family assets.

- f. Lump sum receipts are counted as assets. Examples of lump sum payments include the following:
  - 1. Inheritances;
  - 2. Capital gains;
  - 3. Lottery winnings paid in one payment;
  - 4. Cash from the sale of assets;
  - 5. Insurance settlements (including health and accident insurance, workers compensation, and personal and property losses); and
  - 6. Any other amounts that are received in one-time lump sum payments.
  - 7. A lump sum payment is counted as an asset only as long as the family continues to possess it. If the family uses the money for something that is not an asset—a car or a vacation or education—the lump sum must not be counted. It is possible that a lump sum or an asset purchased with a lump sum payment may result in enough income to require the family to report the increased income before the next regularly scheduled annual recertification. But this requirement to report an increase in income before the next annual recertification would not apply if the income from the asset was not measurable by the tenant (e.g., gems, stamp collection).
- g. Balances held in retirement accounts: Balances held in retirement accounts are counted as assets if the money is accessible to the family member. For individuals still employed, accessible amounts are counted even if withdrawal would result in a penalty. However, amounts that would be accessible only if the person retired are not counted. IRA, Keogh, and similar retirement savings accounts are counted as assets, even though withdrawal would result in a penalty.

Contributions to company retirement/pension funds are included:

1. While an individual is employed, only amounts the family can withdraw without retiring or terminating employment will be counted.
2. After retiring or terminating employment, any amount the employee elects to receive as a lump sum will be counted as an asset.

Any retirement benefits received through periodic payments are included as income.

- h. Mortgage or deed of trust: A mortgage or deed of trust held by a family member is included as an asset. Payments on this type of asset are often received as one combined payment which includes interest and principal. The value of the asset is determined by calculating the unpaid principal at the end of the 12-month period following certification. Each year this balance will decline as more principal is paid off. The interest portion of the payment is counted as actual income from an asset. The cash value is calculated as follows: County Assessor's Valuation minus the mortgage amount owed, minus the cost of disposing of the asset. The Housing Department defines the cost of disposing of the asset as ten percent of the County Assessor's Valuation.
- i. Assets disposed of for less than fair market value: Applicants and tenants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. The Housing Department must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and the amount actually received. Any asset that is disposed of for less than its full value is counted, including cash gifts as well as property. To determine the amount that has been given away, the cash value of the asset will be compared to any amount received in compensation.

However, the rule applies only when the fair market value of all assets given away during the past two years exceeds the gross amount received by more than \$1,000. When the two-year

period expires, the income assigned to the disposed asset also expires. If the two-year period ends in the middle of a recertification year, then the tenant may request an interim recertification to remove the disposed asset(s). Assets disposed of for less than market value as a result of foreclosure, bankruptcy, divorce or separation are not counted. Applicants and tenants must sign a self-verification form at their initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or certifying that no assets have been disposed of for less than fair market value.

### C. Procedure for Projection of Unstable Income

Where a family member has sporadic, yet recurring income, such as a business owner or employment through a temporary service, or seasonal work, the staff will:

1. Require family to bring income information for the 12 week period preceding the date of certification and/or re-certification;
2. Request that the family bring their tax return to assist with income verification;
3. Have the family complete a form that provides for self declaration of odd jobs;
4. Calculate average weekly or monthly income and use this as a base line figure to project income for the upcoming 12 month period;
5. Place the residents on a 90-day re-exam cycle;
6. Advise residents to maintain income information for the upcoming 8 to 12 week period;
7. Schedule family for an interim re-exam on a date during the seventh (7th) week following the certification;
8. Mail a reminder of the interim re-exam to the family during the sixth (6th) week; prior to the appointment scheduled for the next week;
9. Interview the family and collect the income information for the prior 6 to 8 week period;

10. Combine the income from this period with the income from the prior period to establish a new baseline weekly or monthly figure;
11. Recalculate the TTP and determine need for additional interim reexams.

D. Verification of income for families claiming zero (0) income, minimum rent or receiving a utility reimbursement payment

All income representations made by the family to the Housing Department must be verified to ensure the accurate calculation of total tenant payment and tenant rent. [When a family claims zero income, pays minimum rent or receives a utility reimbursement, staff will use the following procedures:](#)

1. Head or co-head of household must complete a form that captures all income and/or monies received by all members of the household. This form will inquire as to how the family is currently covering living expenses such as utilities, food, clothing, etc.
2. Review the family information to evaluate possible participation in publicly funded programs such as TANF.
3. Pose questions to the family intended to probe for unreported income and to clarify any discrepancies.
4. Use the Housing Department's electronic systems and connection with the Arizona Department of Economic Security to research the following:
  - a. Food Stamp benefits
  - b. TANF
  - c. Unemployment benefits
  - d. Credit bureau reporting
  - e. [Enterprise Income Verification System](#)
  - f. [Public Records](#)

The Housing Department will conduct a “no income interview” with the family on a monthly basis.

Regular contributions (including non-cash contributions) to the household must be considered income if they are not for medical expenses.

All verified information will be placed in the tenant file. Staff will act on the information provided by a source of verified income. Staff will also meet with the family to discuss any discrepancies and provide the family with the opportunity to explain the discrepancies. If the family disputes the information provided by the third party, staff will seek further clarification by phone from the third party. If the family feels that the Housing Department's decision has an adverse effect, the family will be offered the opportunity for an informal review of any decision reached based upon the third party information.

## **10.2 EXCLUSIONS FROM INCOME**

Annual income does not include the following:

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, capital gains, one time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are received in a one-time (lump sum) payment;
- D. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution;

- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
  - 1. Amounts received under training programs funded by HUD;
  - 2. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - 3. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
  - 4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to: fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
  - 5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;
- I. Temporary, nonrecurring or sporadic income (including gifts);
- J. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- K. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

- L. Adoption assistance payments in excess of \$480 per adopted child;
- M. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:
  - 1. Comparable Federal, State or local law means a program providing employment training and supportive services that:
    - a. Is authorized by a Federal, State or local law;
    - b. Is funded by the Federal, State or local government;
    - c. Is operated or administered by a public agency; and
    - d. Has as its objective to assist participants in acquiring employment skills.
  - 2. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.
  - 3. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

This exclusion is not applicable to residents of Sunnyslope Manor and Fillmore Gardens.

- N. The incremental earnings due to employment during the 12-month period following date of hire shall be excluded. This exclusion (paragraph N) will not apply for any family who concurrently is eligible for exclusion M. Additionally, this exclusion is only available to the following families:

1. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years.
2. Families whose income increases during the participation of a family member in any family self-sufficiency program.
3. Families who are or were, within 6 months, assisted under a State TANF program.

While HUD regulations allow for the housing authority to offer an escrow account in lieu of having a portion of their income excluded under this paragraph, it is the policy of the Housing Department to provide the exclusion in all cases.

This exclusion is not applicable to residents of Sunnyslope Manor and Fillmore Gardens.

- O. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
- P. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- Q. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- R. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:
  1. The value of the allotment of food stamps;
  2. Payments to volunteers under the Domestic Volunteer Services Act of 1973, including but not limited to:
    - a. The Retired Senior Volunteer Program (RSVP);
    - b. Foster Grandparent Program (FGP);
    - c. Senior Companion Program (SCP);

- d. The older American Committee Service Program; and
- e. National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Programs and Special Volunteer Programs
- f. Small Business Administration Programs, such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE.) This exclusion does not apply to residents of Sunnyslope Manor and Fillmore Gardens.
- g. Payments received under the Alaska Native Claims Settlement Act;
- h. Income from sub-marginal land of the U.S. that is held in trust for certain Indian tribes;
- i. Payments made under the Department of Health and Human Services Low-Income Energy Assistance Program;
- j. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
- k. Income from the disposition of funds of the Grand River Band of Ottawa Indians;
- l. The first \$2000 per capita received from judgment funds awarded by the Indian Claims Commission or the Court of Claims or from funds held in trust for an Indian Tribe by the Secretary of Interior.
- m. Amount of scholarships awarded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs. Examples of Title IV programs include but are not limited to:
  - 1. Basic Educational Opportunity Grants (Pell Grants);
  - 2. Supplemental Opportunity Grants;
  - 3. State Student Incentive Grants;

4. College Work Study; and
  5. Byrd Scholarships.
- n. Payments received from programs funded under Title V of the Older Americans Act of 1965. Examples of programs under this act include but are not limited to:
1. Senior Community Services Employment Program (CSEP);
  2. National Caucus Center on the Black Aged;
  3. National Urban League;
  4. Association National Pro Personas Mayors;
  5. National Council on Aging;
  6. American Association of Retired Persons;
  7. National Council on Senior Citizens; and
  8. Green Thumb
- o. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the Agent Orange product liability litigation;
- p. Payments received under the Maine Indian Claims Settlement Act of 1980;
- q. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- r. Earned income tax credit refund payments received on or after January 1, 1991;
- s. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- t. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;

- u. Any allowance paid under the provisions of 38 USC 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- v. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- w. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

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

### **10.3 ADJUSTED INCOME – STATUTORY DEDUCTIONS FROM INCOME**

The following deductions will be made from annual income:

- A. Dependent Deduction: \$480 for each member of the family (except live-in aides, foster children and foster adults who may be household members but are not family members) other than the family head or spouse, who is under 18 years of age, is a person with a disability or is a full-time student. There is no maximum age limit for who may qualify as a full-time student.
- B. Elderly and Disabled Family Deduction: \$400 for families whose head of household, their spouse, or a sole member who is at least 62 years of age (elderly families) or a person with a disability (disabled families.) Each Elderly or Disabled Family is limited to one \$400 deduction regardless of the number of elderly or disabled household members.
- C. Disability Expense Deduction: This deduction covers unreimbursed, anticipated costs for attendant care or auxiliary apparatus for a disabled family member that enables an adult member of the family to be employed (including the person with disabilities.) The deduction may not exceed the earned income received by adult family members who are able to work because of the care or auxiliary apparatus.

This deduction is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds 3% of the family's annual income. If the disability assistance enables more than one person to

be employed, the Housing Department will consider the combined incomes of those persons.

Auxiliary apparatus includes items such as wheelchairs, ramps, adaptations to vehicles or special equipment to enable a sight-impaired person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work. This includes payments on a specially equipped van to the extent they exceed the payments that would be required on a car purchased for transportation of a person who does not have a disability. The cost of maintenance and upkeep of an auxiliary apparatus is considered a disability assistance expense (for example, the veterinarian costs and food costs of a service animal; the cost of maintaining the equipment that is added to a car, but not the cost of maintaining the car.) If the apparatus is not used exclusively by the person with a disability, the Housing Department will prorate the total cost and allow a specific amount for disability assistance.

In addition to anticipated, ongoing expenses, one-time non-recurring expenses of a current resident for auxiliary apparatus may be included in the calculation of the disability assistance expense deduction after the expense is incurred. These expenses may be added to the family's total disability assistance expense either at the time the expense occurs through an interim recertification or in the rent calculation during the annual recertification.

Attendant care includes, but is not limited to, reasonable expenses for home medical care, nursing services, housekeeping and errand services, interpreters for hearing impaired and readers for persons with visual disabilities. When the same provider takes care of children and a disabled person over age 12, the owner must prorate the total cost and allocate a specific cost to attendant care. The sum of both child care and disability assistance expenses cannot exceed the employment income of the family member enabled to work.

- D. Unreimbursed Medical Expense Costs: The medical expense deduction is permitted only for families in which the head, spouse or co-head is at least 62 years old or is a person with disabilities. If the family is eligible for a medical expense deduction, the Housing Department will include the unreimbursed medical expenses of all family members, including the expenses of nonelderly adults or children living in the family. Medical expenses include all expenses the family anticipated to incur during the 12 months following certification/recertification that are not reimbursed by an outside source, such as insurance. The Housing Department may use the

ongoing expenses the family paid in the 12 months preceding the certification/recertification to estimate anticipated medical expenses. In addition to anticipated expenses, past one-time nonrecurring medical expenses that have been paid in full may be included in the calculation of the medical expense deduction. If the resident is under a payment plan, the expense would be counted as anticipated medical expenses. The medical expense deduction is that portion of total medical expenses that exceeds 3% of annual income.

Medical expenses include, but are not limited to, the following:

Services of health care professionals and health care facilities; laboratory fees, X-rays and diagnostic tests; medical insurance premiums and the insurance deductible; prescription and non-prescription medicines that have been prescribed by a physician; transportation to/from treatment including the actual cost or, if driving by car, a mileage rate based on IRS rules or other accepted standard; dental treatment; eyeglasses and contact lenses; hearing aid and batteries, wheelchair, walker, scooter, artificial limbs; attendant care or periodic attendant care; monthly payments on accumulated medical bills (that will be due in the year for which annual income is computed) unless the family has received the deduction for the full amount of a medical bill it is paying over time; expenses paid to an HMO; purchase or rental and upkeep of equipment; skilled, semi-skilled and unskilled nursing services; an assistive animal and the upkeep and care of the animal and any other medically necessary service, apparatus, or medication as documented by third party verification, blood, oxygen, alcoholism and drug addiction treatment, transportation to/from treatment and lodging, medical care of a permanently institutionalized family member if his/her income is included in annual income, Braille books and magazines.

- E. Special calculation for families eligible for disability assistance and medical expense deductions. If a family has both unreimbursed medical expenses and disability assistance expenses, a special calculation is required to ensure that the family's 3 percent of income expenditure is applied only one time. Because the deduction for disability assistance expenses is limited by the amount earned by the person enabled to work, the disability deduction must be calculated before the medical deduction is calculated.
  - 1. When a family has unreimbursed disability assistance expenses that are less than 3% of annual income, the family will receive no deduction for disability expense. However, the deduction for medical expenses will be equal to the amount by which the sum of

both disability and medical expenses exceeds 3% of annual income.

2. If the disability assistance expense exceeds the amount earned by the person who was enabled to work, the deduction for disability assistance will be capped at the amount earned by that individual. When the family is also eligible for a medical expense deduction, however, the 3% may have been exhausted in the first calculation, and it then will not be applied to medical expenses.
  3. When a family has both disability assistance expenses and medical expenses, the collected expenses will be reviewed to ensure no expense has been inadvertently included in both categories.
- F. Child Care Deduction: Childcare expenses are defined as the unreimbursed amounts anticipated to be paid by the family for the care of children less than 13 years of age, including foster children, during the period for which annual income is computed. Consistent with current HUD instructions, the Housing Department will deduct reasonable child care expense when all of the following is true (and verifiable):
1. Any reasonable child care expenses necessary to enable a family member to be employed, actively seek employment or to further his or her education. The expense must be reasonable in terms of cost and relationship to eligible activity. "School" is either academic or vocational and the course of study will result in a degree or a certificate. Enrollment in school is either full-or part-time in accordance with that institution's definition.
  2. The expense is not paid to a family member residing in the assisted unit nor paid by an agency or individual outside of the unit.
  3. Any expense associated with childcare to allow a family member to go to work does not exceed the earnings of the individual who is enabled to work.
- G. There is no deduction for an amount paid to a person outside the assisted family for alimony or child support. Even if the amount is garnished from the wages of a family member, it must be included in annual income.

## **11.0 VERIFICATION**

The Housing Department will verify the following information relating to eligibility, deductions from income, admission preferences and compliance with applicant screening criteria:

A. Eligibility for admission:

1. Income, assets and asset income;
2. Divested assets;
3. Family composition;
4. Social Security numbers;
5. Citizenship or Eligible Immigration Status; and
6. Required criminal history review

B. Local or Ranking preferences:

1. Families displaced through City of Phoenix action;
2. Families who are referred from a law enforcement agency for witness protection or other safety concern;
3. Preference for working families;
4. Preference for residents who live and/or work in the City of Phoenix; and
5. Income targeting, income tiers, deconcentration, broad range of income goals;

C. Deductions:

1. Family members (other than head or spouse) under age 18;
2. Age or disability of family head or spouse;
3. Disability of family members other than head or spouse;
4. Full-time student status of family members other than head or spouse;
5. Child care costs;
6. Disability assistance expenses (working families only); and
7. Unreimbursed medical costs (elderly and disabled families only.)

D. Standards for Applicant Selection Criteria:

1. Documented ability to abide by the Housing Department lease requirements;
2. Landlord references;
3. Home visits;
4. Credit checks; and
5. Previous history of tenancy, rent paying, caring for a home;

- E. Criminal history of all adult family members. For households applying for the Scattered Sites program, background checks including sex offenses will be conducted on all members of the household who are 12 years of age or older.

## **11.1 ACCEPTABLE METHODS OF VERIFICATION**

### **A. Automatic or Manual Up-front Verification**

To prevent fraud and abuse in HUD programs, the United States Code (USC) and Code of Federal Regulations (CFR) allow HUD and Public Housing Agencies to obtain information about applicants and participants to determine their eligibility or level of benefits. Most importantly, the USC authorizes computer-matching agreements of income information.

The Housing Department will use UIV (Up-Front Income Verification) and EIV (Earned Income Verification) computer matching systems, in addition to automated or manual up-front income verification to the maximum extent possible when conducting initial or annual examinations of family income and composition.

### **B. Documentation Provided by the Family**

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family. For citizenship, the family's declaration will be accepted. Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

### **C. Third-Party Verification**

Other information will be verified by third party verification. This type of verification includes written documentation with forms sent directly to and received directly by a source, not passed through the hands of the family. This verification may also be direct contact with the source, in person or by telephone. It may also be a report generated by a request from the Housing Department or automatically by another government agency, i.e. the Social Security Administration.

To obtain written third party verification, the Housing Department will send a request form to the source along with a release form signed by the applicant/resident via first class mail. Verification forms and reports

received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name date of contact, amount received, etc. If the source does not respond within 10 business days to the initial verification request sent by mail, a phone call will be made to obtain oral verification. If the source does not respond to the first phone call, a follow up call will be made within 3 days. If there is no response from the source, the applicant will be notified that he/she is responsible for obtaining a third-party verification or a third-party reference.

When third party verification cannot be obtained, the Housing Department will accept documentation received from the applicant/tenant. Hand-carried documentation will be accepted if the Housing Department has been unable to obtain third party verification within 10 business days. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the Housing Department will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

#### D. Confidentiality

Any criminal record received by the Housing Department from law enforcement agencies will be maintained confidentially, will not be misused or improperly disseminated and will be destroyed once the purpose for which the record was requested has been accomplished. In accordance with HUD rules and regulations, criminal records will be filed in the applicant or tenant files for a period not to exceed five years from the date of notice of ineligibility or the resident has moved from the Program.

For applicant families that become tenants, records will be maintained as a part of the tenant file for the duration of the tenancy plus five years. After this time period has been fulfilled, the criminal background check will be destroyed.

Any information the Housing Department receives from a drug abuse treatment facility about a person will be maintained confidentially, will not be misused or improperly disseminated and will be destroyed not later than 5 business days after the Housing Department makes a final decision to admit the person to public housing or will be destroyed following expiration of the period for filing a challenge to the Housing

Department decision to deny housing or at the conclusion of litigation. These records will not be retained in the applicant or tenant file but will be retained separately and securely.

The chart at the end of this section outlines the factors that may be verified and gives common examples of the verification that will be sought.

## **11.2 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NON-CITIZEN STATUS**

The citizenship/eligible non-citizen status of each family member regardless of age must be determined in order for an application for assistance to be processed by the Housing Department.

All citizens and nationals will be required to sign a declaration under penalty of perjury. They will be required to show proof of their status by such means as a Social Security card, birth certificate, military ID, or military DD 214 Form.

All eligible non-citizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

All eligible non-citizens under the age of 62 must sign a declaration of their status and a verification consent form and provide their original INS documentation. The Housing Department will make a copy of the individual's INS documentation and place the copy in the file. The Housing Department will also verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the Housing Department will mail information to the INS in order that a manual check can be made of INS records.

Family members who do not claim to be citizens, nationals, or eligible non-citizens must be listed on a statement of non-eligible members and the list must be signed by the head of the household. These family members are not eligible for assistance. However, the family may receive assistance that is prorated based on the number of family members who are citizens or non-citizens with immigration status.

Non-citizen students on student visas, though in the country legally, are not eligible for housing assistance. However, if the spouse of a non-citizen student is a citizen, the family may be eligible for an assistance amount prorated based on the number of individuals in the family who are citizens or non-citizens with eligible immigration status.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this section, the family's eligibility will be denied.

The family's assistance will not be denied, delayed, reduced, or terminated because of a delay in the process of determining eligible status under this section, except to the extent that the delay is caused by the family.

If the Housing Department determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in their housing unit, the family will be evicted. The family will not be eligible to be readmitted to public housing for a period of 24 months from the date of eviction or termination.

### **11.3 VERIFICATION OF SOCIAL SECURITY NUMBERS**

Prior to admission, each adult family member must provide verification of their Social Security number, and the head of household must provide verification for all dependents over the age of 6 and under the age of 18. Prior to being added to the lease, any new adult member of the household must provide verification of their Social Security number. The head of household must provide verification for any new family members six years of age or older before those family members may be added to the lease. In addition, if a child in assisted housing turns six years old, the head of household must provide Social Security verification for the child at the family's first regular reexamination after the child's birthday.

The best verification of the Social Security number is the original Social Security card. If the card is not available, the Housing Department will accept letters from the Social Security Agency that establishes and states the number. Documentation from other governmental agencies will also be accepted that establishes and states the number. [If at any time the UIV/EIV Data System indicates that the social security obtained by information other than the original Social Security card is not valid, the applicant/tenant will be required to provide an original Social Security Card.](#)

If an individual states that they do not have a Social Security number, they will be required to sign a statement to this effect. The Housing Department will not require any individual who does not have a Social Security number to obtain a Social Security number.

If a member of an applicant family indicates they have a Social Security number, but cannot readily verify it, the family cannot be housed until verification is provided.

If a member of a tenant family indicates they have a Social Security number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to sixty (60) days to provide the verification. If the individual is at least 62 years of age, they will be given one hundred and twenty (120) days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be evicted.

#### **11.4 TIMING/FREQUENCY OF VERIFICATION**

Verification information must be dated within ninety (90) days of certification or reexamination. Verifications older than 90 days may be extended for an additional 30 days with a telephone update. The source of the verification will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the Housing Department will verify and update all information [reported to have changed, related to family circumstances and level of assistance](#).

For each family member, citizenship/eligible non-citizen status will be verified only once. This verification will be obtained prior to admission. Prior to a new member joining the family, their citizenship/eligible noncitizen status will be verified.

For each family member age 6 and above, verification of Social Security number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security number at admission receives a Social Security number, that number will be verified at the next regular reexamination. Likewise, when a child turns six, their verification will be obtained at the next regular reexamination.

#### **11.5 VERIFICATION OF ELIGIBILITY OF STUDENTS FOR ASSISTANCE AT SUNNYSLOPE MANOR AND FILLMORE GARDENS**

1. Parents' income must be verified.

- a. The Housing Department will verify parents' income each time it determines the eligibility of the student receiving assistance at Sunnyslope Manor or Fillmore Gardens unless the student can demonstrate his or her independence from parents.
- b. The Housing Department will accept a signed declaration and certification of income from the parents, which includes a penalty of perjury clause.
  - i. If the Housing Department determines that the parents declaration and certification of income or their eligibility is questionable, it may request and review supporting documentation including, but not limited to:
    - (a) IRS tax returns;
    - (b) Consecutive and original pay stubs;
    - (c) Bank statements;
    - (d) Pension benefit statements;
    - (e) Temporary Assistance to Needy Families (TANF);
    - (f) Social Security Administration award letters; or
    - (g) Other official and authentic documents from a federal, State or local agency.
  - ii. If the student's parents refuse to provide a declaration and certification of their income, the student will not be eligible for Section 8 assistance unless the student can demonstrate his or her independence from parents.
  - iii. The Housing Department will require a declaration and certification of income from each parent regardless of marital status.

If the student has been living with one of his or her parents and has not had contact with or does not know where to contact his or her other parent, a certification will be obtained addressing the circumstances and that the student has not received any financial assistance,

directly or indirectly, from the absent parent. The certification must include a penalty of perjury clause.

- iv. The Housing Department will use the applicable low income limit for the parents' family size for the locality where the parents reside when determining the parents' income eligibility for assistance at Sunnyslope Manor and Fillmore Gardens.

If the student's parents live outside of the United States in areas where income limits have not been established for the Section 8 program, the Housing Department will use the applicable low income limit for the parent's family size for the same locality used in determining the student's eligibility.

2. Verification of student's independence from parents.

- a. When a student claims his or her independence from parents, the Housing Department will verify the student's independence from his or her parents by:
  - i. Reviewing and verifying previous address information to determine evidence of a separate household, or
  - ii. Verifying the student meets the U.S. Department of Education's definition of independent student.
  - iii. Reviewing prior year income tax returns to verify if a parent or guardian has claimed the student as a dependent (except if the student meets the Department of Education's definition of independent student).
  - iv. Verifying income provided by a parent by requiring a written certification from the individual providing the support.
  - v. Certification is also required if the parent(s) is not providing support to the student.
  - vi. Financial assistance that is provided by persons not living in the unit is part of annual income.

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Factor to be Verified	Upfront	ACCEPTABLE SOURCES OF VERIFICATION			
		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Age</li> </ul>				<ul style="list-style-type: none"> <li>Birth Certificate</li> <li>Baptismal Certificate</li> <li>Military Discharge papers</li> <li>Valid passport</li> <li>Census document showing age</li> <li>Naturalization certificate</li> <li>Social Security Administration Benefits printout</li> </ul>	
<ul style="list-style-type: none"> <li>Alimony or child support</li> </ul>	<ul style="list-style-type: none"> <li>Electronic report from ATLAS</li> </ul>	<ul style="list-style-type: none"> <li>ATLAS verification letter</li> <li>Letter from Human Services</li> <li>Copy of separation or divorce agreement provided by ex-spouse or court indicating type of support, amount, and payment schedule.</li> <li>Written statement provided by ex-spouse or income source indicating all of above.</li> <li>If applicable, written statement from court/attorney that payments are not being received and anticipated date of resumption of payments.</li> </ul>	<ul style="list-style-type: none"> <li>The Housing Department may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.</li> <li>Telephone or in-person contact with ex-spouse or income source documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>The Housing Department may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status.</li> <li>Copy of most recent check, recording date, amount, and check number.</li> <li>Recent original letters from the court.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant indicating amount received.</li> <li>If applicable, notarized statement or affidavit from applicant indicating that payments are not being received and describing efforts to collect amounts due.</li> </ul>

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Factor to be Verified	Upfront	ACCEPTABLE SOURCES OF VERIFICATION			
		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Assets disposed of for less than fair market value.</li> </ul>				<ul style="list-style-type: none"> <li>Original receipt and receipt at disposition, other evidence of worth</li> </ul>	<ul style="list-style-type: none"> <li>Certification signed by applicant that no member of family has disposed of assets for less than fair market value during preceding two years.</li> <li>If applicable, certification signed by the owner of the asset disposed of that shows:               <ul style="list-style-type: none"> <li>Type of assets disposed of;</li> <li>Date disposed of;</li> <li>Amount received; and</li> <li>Market value of asset at the time of disposition.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Auxiliary apparatus</li> </ul>		<ul style="list-style-type: none"> <li>Written verification from source of costs and purpose of apparatus.</li> <li>Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any family member.</li> <li>In case where the disabled person is employed, statement from employer that apparatus is necessary for employment.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources documented in the file.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of receipts or evidence of periodic payments for apparatus.</li> </ul>	

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Factor to be Verified	Upfront	ACCEPTABLE SOURCES OF VERIFICATION			
		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Care attendant for disabled family members</li> </ul>		<ul style="list-style-type: none"> <li>Written verification from attendant stating amount received, frequency of payments, hours of care.</li> <li>Written certification from doctor or rehabilitation agency that care is necessary to employment of family member.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of receipts or cancelled checks indicating payment amount and frequency.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or signed affidavit attesting to amounts paid.</li> </ul>
<ul style="list-style-type: none"> <li>Cash value of life insurance policies</li> </ul>		<ul style="list-style-type: none"> <li>Letter from insurance company</li> </ul>		<ul style="list-style-type: none"> <li>Current statement</li> </ul>	

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Factor to be Verified	Upfront	ACCEPTABLE SOURCES OF VERIFICATION			
		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Child care expenses (including verification that a family member who has been relieved of child care is working, attending school, or looking for employment).</li> </ul>		<ul style="list-style-type: none"> <li>Written verification from person who provides care indicating amount of payment, hours of care, names of children, frequency of payment, and whether or not care is necessary to employment or education.</li> <li>Verification of employment as required under Employment Income.</li> <li>Verification of student status (full or part-time) as required under Full-Time Student Status.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources (child care provider, employer, school) documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of receipts or cancelled checks indicating payments.</li> <li>For school attendance, school records, such as paid fee statements that show that the time and duration of school attendance reasonably corresponds to the period of child care.</li> </ul>	<ul style="list-style-type: none"> <li>For verification of "looking for work," details of job search effort as required by owner's written policy.</li> </ul>
<ul style="list-style-type: none"> <li>Citizenship</li> </ul>					<ul style="list-style-type: none"> <li>Citizens must sign declaration certifying U.S. Citizenship.</li> </ul>

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Factor to be Verified	Upfront	ACCEPTABLE SOURCES OF VERIFICATION			
		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>• Current net family assets</li> </ul> <p>(Savings, checking accounts, certificate of deposits, bonds, stocks, real property.)</p>	<ul style="list-style-type: none"> <li>• Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.</li> </ul>	<ul style="list-style-type: none"> <li>• Verification forms, letters or documents received from financial institutions, stock brokers, real estate agents, employers indicating the current value of the assets and penalties or reasonable costs to be incurred in order to convert nonliquid assets into cash.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with appropriate source, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>• Passbooks, checking, or savings account statements, certificates of deposit, property appraisals, stock or bond documents, or other financial statements completed by financial institution.</li> <li>• Copies of real estate tax statements, if tax authority uses approximate market value.</li> <li>• Quotes from attorneys, stockbrokers, bankers, and real estate agents that verify penalties and reasonable costs incurred to convert asset to cash.</li> <li>• Copies of real estate closing documents that indicate distribution of sales proceeds and settlement costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Notarized statement or signed affidavit stating cash value of assets or verifying cash held at applicant's home or in safe deposit box.</li> </ul>

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Disability status</li> </ul>		<ul style="list-style-type: none"> <li>Verification from medical professional stating that individual qualifies under the definition of disability.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with medical professional verifying qualification under the federal disability definition and documentation in the file of the conversation.</li> </ul>	<ul style="list-style-type: none"> <li>Proof of SSI or Social Security disability payments</li> </ul>	
<ul style="list-style-type: none"> <li>Disability assistance expenses</li> </ul>		<ul style="list-style-type: none"> <li>Letters from suppliers, caregivers, etc.</li> </ul>		<ul style="list-style-type: none"> <li>Bills and records of payment</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>Dividend income and savings account interest income.</li> </ul>		<ul style="list-style-type: none"> <li>Verification form completed by bank.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with appropriate party, documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of current statements, bank passbooks, certificates of deposit, if they show required information (i.e., current rate of interest).</li> <li>Copies of Form 1099 from the financial institution, and verification of projected income for the next 12 months.</li> <li>Broker's quarterly statements showing value of stocks/bonds and earnings credited to the applicant.</li> </ul>	<ul style="list-style-type: none"> <li>Not appropriate.</li> </ul>

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>• Employment Income including tips, gratuities, overtime.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of HUD's UIV / EIV data and discrepancy and new hire reports, and/or computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail, fax or in person.</li> </ul>	<ul style="list-style-type: none"> <li>• Verification form completed by employer.</li> <li>• The Housing Department may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings and the Housing Department will mail the form to SSA. The form will be sent to the address the Housing Department specifies on the form.</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone or in-person contact with employer, specifying amount to be paid per pay period and length of pay period. Document in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>• W-2 Forms, if applicant has had same employer for at least two years and increases can be accurately projected.</li> <li>• Paycheck stubs or earning statements for the last three months, if employed by the same employer in conjunction with UIV / EIV Data.</li> </ul>	<ul style="list-style-type: none"> <li>• Notarized statements or affidavits signed by applicant that describe amount and source of income.</li> </ul>
<ul style="list-style-type: none"> <li>• Family composition.</li> </ul>		<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• None required.</li> </ul>	<ul style="list-style-type: none"> <li>• Birth certificates</li> <li>• Divorce actions</li> <li>• Drivers' licenses</li> <li>• Employer records</li> <li>• Income tax returns</li> <li>• Marriage certificates</li> <li>• School records</li> <li>• Social Security Administration records</li> <li>• Social service agency records</li> <li>• Support payment records</li> <li>• Utility bills</li> <li>• Veterans Administration (VA) records</li> </ul>	

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Family type.</li> </ul> <p>(Information verified only to determine eligibility for preferences, and allowances.)</p>		<ul style="list-style-type: none"> <li>Disability Status: statement from physician or other reliable source, if benefits documenting status are not received.</li> <li>Displacement Status: Written statement or certificate of displacement by the appropriate governmental authority.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Elderly Status (when there is reasonable doubt that applicant is at least 62): birth certificate, baptismal certificate, social security records, driver's license, census record, official record of birth or other authoritative document or receipt of SSI old age benefits or SS benefits.</li> <li>Disabled, blind: evidence of receipt of SSI or Disability benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Elderly Status: Applicant's signature on application is generally sufficient.</li> </ul>
<ul style="list-style-type: none"> <li>Full-time student status (of family member 18 or older, excluding head, spouse, or foster children).</li> </ul>		<ul style="list-style-type: none"> <li>Verification from the Admissions or Registrar's Office or dean, counselor, advisor, etc., or from VA Office.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources documented in file by the owner.</li> </ul>	<ul style="list-style-type: none"> <li>School records, such as paid fee statements that show a sufficient number of credits to be considered a full-time student by the educational institution attended.</li> </ul>	
<ul style="list-style-type: none"> <li>Immigration Status.</li> </ul>		<ul style="list-style-type: none"> <li>Verification of eligible immigration status must be received from DHS through the DHS SAVE system or through secondary verification using DHS Form G-845.</li> </ul>		<ul style="list-style-type: none"> <li>Applicant/resident must provide appropriate immigration documents to initiate verification.</li> </ul>	<ul style="list-style-type: none"> <li>Noncitizens must sign declaration certifying the following:               <ul style="list-style-type: none"> <li>Eligible immigration status; or</li> <li>Decision not to claim eligible status.</li> </ul> </li> </ul>

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Income maintenance payments, benefits, income other than wages (i.e., welfare, Social Security [SS], Supplemental Security Income [SSI], Disability Income, Pensions).</li> </ul>	<ul style="list-style-type: none"> <li>Use of HUD's UIV / EIV Data and discrepancy reports.</li> <li>Use of computer matching agreements with a Federal, State or Local Government Agency to obtain pension information electronically, by mail or fax or in person.</li> </ul>	<ul style="list-style-type: none"> <li>Award or benefit notification letters prepared and signed by authorizing agency.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with income source, documented in file.</li> <li><b>NOTE:</b> For all oral verification, file documentation must include facts, time and date of contact, and name and title of third party.</li> </ul>	<ul style="list-style-type: none"> <li>Current or recent check stubs with date, amount, and check number recorded by the owner.</li> <li>Award letters or computer printout from court or public agency.</li> <li>Copies of validated bank deposit slips, with identification by bank.</li> <li>Most recent quarterly pension account statement.</li> </ul>	
<ul style="list-style-type: none"> <li>Interest from sale of real property (e.g., contract for deed, installment sales contract, etc.)</li> </ul>		<ul style="list-style-type: none"> <li>Verification form completed by an accountant, attorney, real estate broker, the buyer, or a financial institution which has copies of the amortization schedule from which interest income for the next 12 months can be obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with appropriate party, documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of the contract.</li> <li>Copy of the amortization schedule, with sufficient information for the owner to determine the amount of interest to be earned during the next 12 months.</li> <li><b>NOTE:</b> Copy of a check paid by the buyer to the applicant is not acceptable.</li> </ul>	

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Medical expenses</li> </ul>		<ul style="list-style-type: none"> <li>Verification by a doctor, hospital or clinic, dentist, pharmacist, etc., of estimated medical costs to be incurred or regular payments expected to be made on outstanding bills which are not covered by insurance.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with these sources, documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Copies of cancelled checks that verify payments on outstanding medical bills that will continue for all or part of the next 12 months.</li> <li>Copies of income tax forms (Schedule A, IRS Form 1040) that itemize medical expenses, when the expenses are not expected to change over the next 12 months.</li> <li>Receipts, cancelled checks, pay stubs, which indicate health insurance premium costs, or payments to a resident attendant.</li> <li>Receipts or ticket stubs that verify transportation expenses directly related to medical expenses.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or signed affidavit of transportation expenses directly related to medical treatment, if there is no other source of verification.</li> </ul>
<ul style="list-style-type: none"> <li>Need for an assistive animal.</li> </ul>		<ul style="list-style-type: none"> <li>Letter from medical provider.</li> </ul>			
<ul style="list-style-type: none"> <li>Need for a live-in aide</li> </ul>		<ul style="list-style-type: none"> <li>Letter from doctor or other professional knowledgeable of the condition</li> </ul>			

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Net Income for a business.</li> </ul>				<ul style="list-style-type: none"> <li>Form 1040 with Schedule C, E, or F.</li> <li>Financial Statement(s) of the business (audited or unaudited) including an accountant's calculation of straight-line depreciation expense if accelerated depreciation was used on the tax return or financial statement.</li> <li>Any loan application listing income derived from business during the preceding 12 months.</li> <li>For rental property, copies of recent rent checks, lease and receipts for expenses, or IRS Schedule E.</li> </ul>	
<ul style="list-style-type: none"> <li>Personal property</li> </ul>		<ul style="list-style-type: none"> <li>Assessment, Bluebook, etc.</li> </ul>		<ul style="list-style-type: none"> <li>Receipt for purchase, other evidence of worth</li> </ul>	
<ul style="list-style-type: none"> <li>Recurring contributions and gifts.</li> </ul>		<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of gifts.</li> </ul>	<ul style="list-style-type: none"> <li>Telephone or in-person contact with source documented in file.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant stating purpose, dates, and value of gifts.</li> </ul>

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>Self-employment, tips, gratuities, etc.</li> </ul>		<ul style="list-style-type: none"> <li>The Housing Department mails or faxes a verification form directly to sources identified by the family to obtain income information.</li> </ul>	<ul style="list-style-type: none"> <li>The Housing Department may call the source to obtain income information.</li> </ul>	<ul style="list-style-type: none"> <li>Form 1040/1040A showing amount earned and employment period.</li> </ul>	<ul style="list-style-type: none"> <li>Notarized statement or affidavit signed by applicant showing amount earned and pay period.</li> </ul>
<ul style="list-style-type: none"> <li>Social security number</li> </ul>		<ul style="list-style-type: none"> <li>Letter from Social Security</li> </ul>		<ul style="list-style-type: none"> <li>Original Social Security card</li> <li>Identification card issued by a federal, State, or local agency, a medical insurance provider, or an employer or trade union.</li> <li>Earnings statements on payroll stubs</li> <li>Bank statement</li> <li>Form 1099</li> <li>Benefit award letter</li> <li>Retirement benefit letter</li> <li>Life insurance policy</li> <li>Court records</li> </ul>	<ul style="list-style-type: none"> <li>Certification that document is complete/accurate unless original Social Security card is provided.</li> </ul>
<ul style="list-style-type: none"> <li>Training program participation</li> </ul>		<ul style="list-style-type: none"> <li>Letter from program provider indicating whether the tenant is enrolled or completed the training and whether it is HUD funded</li> </ul>			<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>Unborn children.</li> </ul>					<ul style="list-style-type: none"> <li>Applicant/tenant self-certifies to pregnancy.</li> </ul>

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		Third Party		Documents Provided by Applicant	Self-Declaration
		Written	Oral		
<ul style="list-style-type: none"> <li>• Unemployment compensation.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of HUD's UIV / EIV Data and/or computer matching agreements with a State Wage Information Collection Agency to obtain employment compensation electronically, by mail or fax.</li> </ul>	<ul style="list-style-type: none"> <li>• The Housing Department mails, faxes or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.</li> </ul>	<ul style="list-style-type: none"> <li>• The Housing Department may call the State Wage Information Collection Agency to obtain current benefit amount.</li> </ul>	<ul style="list-style-type: none"> <li>• Copies of checks or records from agency provided by applicant stating payment amounts and dates.</li> <li>• Benefit notification letter signed by authorizing agency.</li> </ul>	<ul style="list-style-type: none"> <li>• The Housing Department may accept a notarized statement or affidavit from the tenant that declares unemployment benefits.</li> </ul>
<ul style="list-style-type: none"> <li>• Zero Income.</li> </ul>					<ul style="list-style-type: none"> <li>• Applicant/Tenant self-certifies to zero income.</li> </ul>

## ***PART III – OCCUPANCY***

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

#### ***12.1 FAMILY CHOICE***

At admission and each year in preparation for their annual reexamination, each family is given the choice of having their rent determined under the income-based method or having their rent set at the flat rent amount.

Families who opt for the flat rent must come in annually to update family composition, income and asset information.

Families who opt for the flat rent may request to have a reexamination and return to the formula based method at any time for any reason.

#### ***12.2 INCOME-BASED RENT AND MINIMUM RENT***

The total tenant payment is equal to the highest of:

- A. 10% of monthly income; or
- B. 30% of adjusted monthly income.

The family will pay the greater of the total tenant payment or the minimum rent of \$50. [Residents of Sunnyslope Manor and Fillmore Gardens will pay the greater of the total tenant payment or the minimum rent of \\$25.](#)

Once a year, families can opt out of the income-based rent and pay a flat rent, or they can switch back to an income-based rent at any time.

In the case of a family who has qualified for the income exclusion at Section 10.2(N), upon the expiration of the 12-month period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the resulting rent increase will be capped at 50 percent of the rent increase the family would have otherwise received.

#### ***12.3 MINIMUM RENT HARDSHIP EXEMPTION***

If the family requests a minimum rent hardship exemption, the Housing Department will immediately suspend the minimum rent for the family until

the Housing Department can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

A. A hardship exists in the following circumstances:

1. When the family has lost eligibility for or is waiting an eligibility determination for a Federal, State, or local assistance program;
2. When the family would be evicted as a result of the imposition of the minimum rent requirement;
3. When the income of the family has decreased because of changed circumstances, including loss of employment;
4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
5. When a death has occurred in the family.

B. No Hardship

If the Housing Department determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.

C. Temporary Hardship

If the Housing Department reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Department will offer a repayment agreement in accordance with the Section 18 of this policy for any rent not paid during the period of suspension. During the suspension period the Housing Department will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.

D. Long-term Hardship

If the Housing Department determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.

#### E. Appeals

The family may use the grievance procedure to appeal the Housing Department's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

### **12.4 THE FLAT RENT**

The Housing Department has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The Housing Department determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated [periodically](#) and adjustments may be applied. Affected families will be given a 30-day notice of any rent increase. Adjustments are applied on the anniversary date for each affected family (for more information on flat rents, see Section 15.3).

The schedule of flat rents is incorporated into this document as Appendix III. The Housing Department will post the flat rents at each of the developments and at the central office. The flat rents are incorporated into the Housing Department's Agency Plan as approved by the [Assisted Housing Governing Board](#).

Flat rents are not applicable to residents of Sunnyslope Manor and Fillmore Gardens.

### **12.5 RENT FOR FAMILIES UNDER THE NON-CITIZEN RULE**

A "mixed family" which consists of at least one citizen, national or eligible non-citizen and one or more members who do not claim to be citizens, nationals, or eligible non-citizens qualify for assistance at a prorated amount.

The family's assistance is prorated in the following manner:

- A. Determine the 95<sup>th</sup> percentile of gross rents (tenant rent plus utility allowance) for the Housing Department. The 95<sup>th</sup> percentile is called the maximum rent.
- B. Subtract the family's total tenant payment from the maximum rent. The resulting number is called the maximum subsidy.

- C. Divide the maximum subsidy by the number of family members and multiply the result times the number of eligible family members. This yields the prorated subsidy.
- D. Subtract the prorated subsidy from the maximum rent to find the prorated total tenant payment. From this amount subtract the full utility allowance to obtain the prorated tenant rent.

### **RENT FOR FAMILIES UNDER THE NON-CITIZEN RULE FOR SUNNYSLOPE MANOR AND FILLMORE GARDENS**

A “mixed family” which consists of at least one citizen, national or eligible non-citizen and one or more members who do not claim to be citizens, nationals, or eligible non-citizens qualify for assistance at a prorated amount.

The family’s assistance is prorated in the following manner:

- A. Determine the TTP (Total Tenant Payment);
- B. Subtract the family’s total tenant payment from the gross rent;
- C. Determine the number of people in the family who are eligible persons. Utilize the fraction that represents the number of eligible persons in the family (numerator) and the number of persons in the family (denominator);
- D. Multiply the amount in Section B above by the fraction determined in Section C above. The resulting amount is the prorated housing assistance payment for the family;
- E. Subtract the amount of the prorated housing assistance payment from the gross rent. The resulting amount is the prorated TTP for the family.

### **12.6 UTILITY ALLOWANCE**

The Housing Department shall establish a utility allowance for all check-metered utilities and for all tenant-paid utilities. The allowance will be based on a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In setting the allowance, the Housing Department will review the actual consumption of tenant families as well as changes made or anticipated due to modernization (weatherization efforts, installation of energy-efficient appliances, etc.) and data provided by utility companies providing service to Housing

Department properties. Allowances will be evaluated at least annually as well as any time utility rate changes by 10% or more since the last revision to the allowances.

The utility allowance will be subtracted from the family's income-based or flat rent to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the Housing Department. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belongs to the tenant.

For Housing Department paid utilities, the Housing Department will monitor the utility consumption of each household. Any consumption in excess of the allowance established by the Housing Department will be billed to the tenant monthly.

Utility allowance revisions based on rate changes shall be effective retroactively to the first day of the month following the month in which the last rate change took place.

[The Scattered Sites Housing Program will make utility rate changes effective on the effective date of the next annual recertification.](#)

Families with high utility costs are encouraged to contact the Housing Department for an energy analysis. The analysis may identify problems with the dwelling unit that once corrected will reduce energy costs. The analysis can also assist the family in identifying ways they can reduce their costs.

Requests for relief from surcharges for excess consumption of Housing Department purchased utilities or from payment of utility supplier billings in excess of the utility allowance for tenant-paid utility costs may be granted by the Housing Department on reasonable grounds. Requests shall be granted to families that include an elderly member, a member with disabilities or a documented medical condition. Requests by the family shall be submitted under the Reasonable Accommodation Policy. Families shall be advised of their right to individual relief at admission to public housing and at time of utility allowance changes.

Under 24 CFR 965.08, relief from surcharges for excess consumption of public housing authority (PHA) purchased utilities, or payment of utility supplier billings in excess of allowances for resident-purchased utilities, may be granted by the Housing Department on reasonable grounds. [Due](#)

to excessive heat, from May 1<sup>st</sup> through October 31<sup>st</sup>, the Housing Department may provide relief by increasing the utility allowances.

A utility allowance is not applicable to residents of Sunnyslope Manor and Fillmore Gardens.

## **12.7 SECURITY DEPOSIT**

The Housing Department requires a residential security deposit from all housing applicants as a condition of residency prior to the time of lease execution. The security deposit is an amount equal to one month's rent before utility allowance, or \$100.00, whichever is greater, except for Scattered Sites properties or for units at Sunnyslope Manor and Fillmore Gardens. The security deposit for Scattered Sites, Sunnyslope Manor and Fillmore Gardens residents is always equal to one month's rent, not including the utility allowance.

The Housing Department may allow for six (6) monthly installment payments if evidence of family financial hardship is demonstrated, with one-sixth being paid in advance and the remaining balance paid within the next five consecutive months. [Exceptions to the six month limit may be extended with prior supervisory approval.](#) However, even in cases of hardship, the Housing Department reserves the right to require a minimum security deposit of \$50.00.

In the event the unit is rejected after signing the lease, the resident agrees that the measure of the Housing Department's contractual and other damages for the tenant's breach of the lease ("rejection" of the unit after signing the lease) shall be the daily amount of the rent which would have been due under the lease until the unit is rented, up to the full amount of the security deposit. All reasonable efforts will be made to rent the unit as quickly as possible. If the full amount of the security deposit is not applied in this manner, the refund will be sent to the applicant within 30 days of the date of rejection of the unit.

Security Deposits do not earn interest. The Security Deposit will be returned, less any applicable charges, to the tenant after move-out, if the following conditions are met:

- A. There is no unpaid rent and/or charges for which the resident is liable under the lease or as a result of breaching the lease.
- B. The dwelling unit and all equipment are left clean, and all trash and debris have been removed by the family.

- C. There is no breakage or damage beyond that expected from normal wear and use.
- D. There was proper notice given under the lease and all keys issued have been returned to the management office when the family vacates the dwelling unit.
- E. All obligations under the lease have been fully performed.

The Security Deposit may not be used to pay charges during the tenant's occupancy.

If the tenant will be transferred from one public housing dwelling unit to another public housing unit, the security deposit for the first unit will be transferred to the second unit. Any outstanding charges for damages will also be transferred over.

If the tenant will be transferred from one public housing dwelling unit to another assisted housing program unit, the Housing Department will conduct the required move-out inspection and determine what charges, if any, will be deducted from the existing security deposit. If there are no such deductions the security deposit will be transferred to the new unit. If there are any charges, these charges will be deducted from the security deposit and any remaining balance will be credited to the tenant's account. The Housing Department will establish the security deposit for the new unit based upon the current security deposit policy and the family will be required to pay the new deposit amount in effect at that time. However, if the transfer was requested by the Housing Department and not the tenant, there will be no increase in the security deposit required from the tenant.

## **12.8 OTHER RESIDENT CHARGES**

The Housing Department will assess residents a charge for tenant-caused damage to the housing facilities. The charge will be based upon the actual cost of materials and an average, reasonable labor charge. A schedule of such labor charges will be maintained by the Housing Department and periodically updated. A copy of this schedule will be made available upon request. [The Housing Department will not charge for any repairs that are necessitated by normal wear and tear. If extermination is required due to the negligence of the tenant family, the Housing Department reserves the right to charge for said service.](#)

[Due to staffing and funding uncertainties, the Housing Department will not replace carpet or paint unit when the home is occupied unless it is deemed that the home is no longer safe or sanitary.](#)

The Housing Department will post a schedule of damage charges, subject to periodic amendment, in the rental offices and other designated locations.

The Housing Department will assess a resident who has been individually and separately metered for the actual cost of utilities used in excess of the established applicable allowances.

The Housing Department may also impose a charge for extra management services such as key replacement.

The Housing Department may also assess legal and other eviction costs actually incurred against tenants as a condition of settlement of an impending court action. Examples of such charges include: court filing fees, attorney fees and sheriff fees.

Any charges, other than rent, shall not become due and payable until the first day of the month following the month in which the charge occurred and after a 30 day notice to the tenant was provided.

Family failure to pay such charges by the due date in the notice to tenant may result in the issuance of a 30-day notice to terminate tenancy. The termination procedure will include the family's right to request an informal meeting or to access the grievance process. The family may be offered the opportunity to enter into a repayment agreement subject to the Housing Department's established policy in Section 18.

## **12.9 EARNED INCOME DISALLOWANCE (EID)**

This section does not apply to residents of Sunnyslope Manor and Fillmore Gardens.

The earned income disallowance encourages resident self-sufficiency by excluding certain amounts of income for adult residents who either begin earning income or earn additional income. For a qualified resident, increases in income due to earnings are completely excluded in calculating rent for 12 months, after which half the increased earnings are excluded for the following 12 months. The exclusion period can be interrupted but in no case may the total number of months between the beginning of the exclusion and the final month of exclusion exceed 48 months. "Former income" is the amount of the family member's income just prior to the earned income allowance being triggered, e.g., the last certified income. The former income establishes the baseline amount to be used in determining the amount to be excluded. The baseline for the

family member will never change throughout the course of the earned income disallowance.

The earned income disallowance is only available for households under lease. It is not applicable at admission. Only adults can qualify for the earned income disallowance. Each person can receive only one 48-month disallowance period during his or her lifetime. There are three categories of individuals who qualify for the earned income disallowance.

- A. A person whose annual income increases because of employment after having been unemployed for at least 12 months. A person is considered to have been unemployed if he or she has earned less money in the previous 12 months than would have been earned working 10 hours per week for 50 weeks at the established minimum wage.
- B. A person whose annual income increases because of new or increased earnings during participation in an economic self-sufficiency or other job training program. The key concept is that the individual receives the new or additional earned income while he or she is involved in economic self-sufficiency or job training, not after the completion of such training.
- C. A person whose annual income increases because of new or increased earnings, during or within six months after receiving assistance, benefits or services from a program funded by any state program for Temporary Assistance to Needy Families funded under Part A of Title VI of the Social Security Act. The assistance is not limited to income maintenance, but also includes benefits and services such as child care and transportation subsidies and one-time payments, wage subsidies and other amounts and services as long as the value of such benefits or services over a six month period is at least \$500.

A previously employed person who has earned, in the twelve months previous to employment, no more than would be received for ten (10) hours of work per week for fifty (50) weeks at the current established minimum wage.

## **12.10 CONTRACT RENT**

This section applies only to residents of Sunnyslope Manor and Fillmore Gardens.

Contract rent is the rent that HUD has approved for each apartment covered under an assistance contract. The rent may be paid by the resident, HUD or both.

For residents who qualify for rental amounts based on income, HUD will pay the difference between the contract rent and the resident's Total Tenant Payment. If the resident has a Total Tenant Payment equal to or greater than the contract rent amount, the amount of rent the resident will be required to pay is equal to the contract rent amount.

The current contract rent amounts are contained on the property's rental schedule, which is available in the property management office.

### **12.11 PAYING RENT AND OTHER CHARGES**

Rent and other charges are due and payable on the first day of the month. All rents should be mailed to Phoenix Housing Department, PO Box 78969, Phoenix, AZ 85062-8969 or payments can be paid in person at City of Phoenix Banking and Cashiering, 251 W. Washington 3rd Floor. City of Phoenix payment drop boxes are located at: 251 W. Washington, 1st floor or 3rd floor, 200 W. Washington, 1st floor, or curbside at the southwest corner of Washington and 3rd Avenue. Reasonable accommodations for this requirement will be made for persons with disabilities. As a safety measure, no payments are accepted at public housing rental offices.

If the rent is not paid by the fifth working day of the month, a fourteen day eviction notice is sent to the tenant. A \$15 late charge will be assessed to the tenant if they have not paid by the fifteenth day of the month. If rent is paid by a personal check and the check is returned for insufficient funds, this shall be considered a non-payment of rent and will incur the late charge plus an additional charge of \$18 for processing costs.

## **13.0 LEASING**

The Housing Department will undertake all activity necessary to permit a family to take possession of the dwelling unit in an expeditious manner and consistent with prevailing HUD instructions, non-discrimination laws and the provisions of this section.

The dwelling unit is made available for occupancy for the household members authorized to reside in the unit. The leased unit is to be the family's sole place of residence and is to be used as residential housing and the resident may not assign, sublet or transfer possession of the dwelling unit nor take in roomers or boarders.

Any business activity to take place in the unit must be pre-approved by the Housing Department and such activity must be secondary to the intended use as a residential dwelling unit.

### **13.1 ADDITIONS TO THE LEASE**

In order to add a household member other than through birth or adoption the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual (if an adult) or the head of household (if the individual is a minor) must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family).

The new family member will go through the same screening process (criminal background check on all adults and, in the case of Scattered Sites, a minor 12 years of age or older) as the original applicant. The Housing Department will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the Housing Department will grant approval to add their name to the lease. At the same time, the family's annual income will be recalculated taking into account the income and circumstances of the new family member.

If a full-time live-in aide is required, a notice from a doctor must be submitted to the Housing Department stating the necessity for the live-in care attendant. The family must then submit the name of the person who

will be the live-in aide. The live-in care aide will be required to undergo and pass a criminal background check.

The Housing Department will determine the eligibility of the individual before allowing them to live in the apartment. The live-in aide is not added to the lease and is not considered a member of the household.

## **13.2 VISITORS**

Visitors are allowed to stay up to seven (7) consecutive days or sixty (60) days maximum per year. The head of household is responsible for the conduct of their visitors and guests just as they are for the members of their own household. This includes guests' behavior inside the unit as well as anywhere on or near the Housing Department's premises. A guest's behavior could, if it violates the lease, cause serious problems for the resident, up to and including eviction.

Any person living in the dwelling unit more than 7 consecutive days may be considered a member of the family household who must be added to the lease and be accepted under Housing Department standards for admission. Use of the unit address as the visitor's current residence for any purpose shall be construed as permanent residence. The burden of proof that the individual(s) is a guest rests on the family. In the absence of such proof, the individual(s) will be considered an unauthorized member of the family and the family's lease may be terminated since prior approval was not requested for the addition.

Guests or visitors may only stay longer than seven consecutive days if the family has written permission from the Housing Department. Written permission of the Housing Department extending the stay of visitors or a member of the resident's family will not be unreasonably denied. Visitors permitted to stay beyond the seven consecutive days must prove that they have a primary residence of their own. Acceptable proof includes utility bills, cancelled checks for rent, driver's license verification, lease or rental agreement in the visitor's name, statements from neighbors, vehicle license plate verification, post office records, law enforcement reports or employment verification of their home address.

Anyone staying in the dwelling unit more than 60 days for the medical care of a resident will be required to apply to be authorized to be a live-in aide. A live-in aide is a person who resides with one or more elderly persons or near-elderly persons, or persons with disabilities who is determined to be essential to the care and well-being of the persons; is not obligated for the support of the persons; and would not be living in the unit except to provide the necessary supportive services. A live-in aide has no rights or

benefits under any housing program. Written verification of the need for a live-in aide will be required from a reliable, knowledgeable professional, such as a doctor, social worker or caseworker.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member.

### **13.3 DWELLING UNIT LEASES**

The dwelling unit lease reflects both the required provisions of the Federal regulations at 24 CFR 966 and applicable provisions of the Arizona Landlord-Tenant Laws.

The Housing Department requires an official dwelling lease between the Housing Department and each of the resident families. The Housing Department requires that dwelling unit leases be kept current at all times and reflect current rent and occupancy composition.

The Housing Department requires that the head of household and spouse, if there is one, of each family accepted for residency execute a dwelling lease in duplicate at admission. The Housing Department will retain the original as a record and provide the copy to the lessee.

If the signatory to the dwelling lease ceases to be a member of the resident family, the lease becomes null and void. The Housing Department requires that a new lease or a lease addendum be executed if the family continues to be eligible and that the new lease or addendum be signed by a legally responsible remaining family member, head of household and co-head, if there is one.

If the resident family transfers to a different HUD-assisted housing unit operated by the Housing Department, the existing lease will be cancelled and a new lease executed by the head of household and co-head, if there is one, for the dwelling unit to be occupied by the family.

Should a change in resident status necessitate a lease amendment or should the Housing Department elect to waive lease provisions for the resident, the Housing Department requires that the existing lease be superseded by a new lease or that an appropriate addendum be prepared and incorporated into the existing lease. Lease changes must be consistent with Housing Department occupancy standards. The Housing Department requires that all copies of the revised lease or addendum be signed by an authorized staff member and the head or co-head of household.

### **13.4 REMAINING MEMBER OF THE TENANT FAMILY**

The right of the remaining family member to grieve an action or decision does not signify that a remaining family member has the right to succeed to the leasehold interest of the original tenant who entered into the lease with the Housing Department.

The tenancy rights rest with the lessees who signed a lease with the Housing Department as a tenant of the unit. When the original lessee dies or departs the unit, then the remaining family members constitute a family and are eligible for continued assistance, if there is at least one household member of legal age and capacity to execute the lease living in the household who meets the eligibility screening criteria, and there are no rent defaults or criminal activity violations and the remaining family members had been previously authorized to occupy the unit. Given that there is no automatic right of leasehold succession, the decision on whether to renew or affirm the tenancy, by executing a new lease with a remaining family member who possesses legal capacity, is a discretionary management determination by the Housing Department.

The only remaining members of the tenant family with rights to leasehold succession are persons who were a party to the lease. This definition does not necessarily exclude all other remaining adult household members, but rather establishes the right of the Housing Department to subject any other adult household member(s) to the same level of screening that would have been undertaken for any other adult lease holder. The Housing Department may deny continued eligibility for occupancy of the unit to any such person who fails to meet the normal screening criteria of the agency.

Remaining members of a resident household will not be considered for residual tenancy if the departing or deceased leaseholder is under eviction for non-payment of rent for cause or has an outstanding balance due to the Housing Department.

While a relative or guardian **may** be granted permission to occupy the unit on an interim basis, a lease may not be executed until there is evidence that the issue of guardianship of the minor children has been legally resolved. In the interim period, the interim caretaker shall be required to execute a lease addendum stating he/she will abide by the term and conditions for occupancy as set forth in the original leaseholder's lease, shall be required to meet the eligibility screening criteria requirements, and shall assume full responsibility for payment of the tenant rent based upon

the income of all authorized adult family members, including the income of the interim care giver.

If the family is splitting into two households (for example, due to a divorce or other domestic situation), one of the two households must file a pre-application with the Applications and Information Office and be added to the wait list. If both households are in agreement, the two families may live together in the unit until the family with the new application is processed by the Applications and Information Office and is offered a separate unit.

If the families choose not to continue to live together, one of them will have to move out. The head of household has full rights to the unit and can remain in the unit. Or, the head of household may choose to move out and allow the remaining members to stay in the unit. The remaining family members are considered residual household members. If there is a residual household member that is 18 years of age or older, that individual may execute a new lease if they meet the eligibility screening criteria requirements.

Notwithstanding the above, if a resident has a court order (such as an Order of Protection, Legal Separation or Divorce Decree), the Housing Department will follow the court ruling as to who will remain in the unit.

### **13.5 DEFINITION OF TEMPORARILY ABSENT FAMILY MEMBER**

#### **A. General Conditions**

1. If a family member leaves the dwelling unit for more than 3 consecutive months or more than 120 days in a calendar year, except for medical circumstances, the unit will not be considered to be their principal place of residence and the lease will be terminated. To determine whether and when the unit size should be changed, the case should be taken to the Supervisor who will use an approximate time of three months as a guide, depending on the individual circumstances and verification provided.
2. If there is a one or two parent home and the children are taken away from the parent, but after counseling the children will be returned, the Housing Department will try to find out from Social Service how long it will be before the children will be returned. The situation will be reevaluated after 90 days.

To determine whether and when the bedroom size should be changed when the children have been removed from the home, the

case should be taken to the Supervisor who will evaluate the situation, using the individual circumstances and verification provided.

3. If the single parent leaves the household, for reasons other than incarceration, and if another adult is brought in to take care of the children while the parent is away, as long as the family continues to meet the definition of family, and the leaseholder is expected to return to the unit within a 90-day period, the lease will not be terminated. However, the new head of household must undergo screening and will not have residual rights to the unit.
4. If a member of a family is protected by an order of protection which excludes a family member from the home, the excluded family member will not be considered under the temporarily absent policy during the period the court order is in effect, but rather will be considered a family member who is permanently absent from the unit.

#### B. Spouse or Person Living in Spousal Relationship

1. If the spouse leaves the household, the family must report the change in family composition to the Housing Department, stating the spouse is permanently absent.
2. The spouse will be determined permanently absent if the family declares in writing that the absentee spouse has been gone for three months or more of the recertification period, or declares in writing that the absentee spouse is otherwise permanently absent. The family must provide adequate proof of absence if the absentee spouse is to be considered permanently absent during the first three months.
3. If the spouse leaves the household and the period of time is less than 3 months, the absentee spouse will be determined temporarily absent unless one of these verifications are provided:
  - a. Husband or wife institutes **and files** a divorce action.
  - b. Husband or wife institutes **and files** for legal separation.
  - c. Order of protection.
  - d. Proofs of absence which would be acceptable would include proof that the absentee is/was living in another location such as

utility bills, cancelled checks for rent, drivers license or lease or rental agreement in the absentee's name at another location or employment verification of their home address.

- e. If the spouse is incarcerated, a document from the Court, prison or Probation Services Department should be obtained as to how long the absentee will be incarcerated.

The three months specified in this section starts from the time the family reported the family member was absent from the unit.

### C. Adult Child

If an adult child goes into the military and leaves the household, he/she will be determined permanently absent.

A student (other than husband or wife) who attends school away from home but lives with the family during school recesses may be considered permanently absent (income not counted, not on lease, not counted for bedroom size) or temporarily absent (income counted, on lease, counted for bedroom size) at the family's option.

Adult children will be determined permanently absent if the family declares that they have been gone for three months or more during the re-certification period or declares in writing that they are otherwise permanently absent. The family must provide adequate proof of absence if the adult children are to be considered permanently absent during the first three months.

If an adult child leaves the household and the period of time is less than 3 months, the adult child will be determined temporarily absent unless one of these verifications are provided:

1. Order of protection against the adult child.
2. Proofs of absence which would be acceptable would include proof that the adult child is living in another location, such as utility bills, cancelled checks for rent, drivers license or lease or rental agreement in the adult child's name at another location, or employment verification or home address.
3. If the adult child is incarcerated, a document from the Court, prison or Probation Services Department must be obtained as to how long he/she will be incarcerated.

#### D. Adult Family Members Other than Spouse or Adult Child

Other adult family members that the family declares have been gone for three months or more during the re-certification period and declares in writing that they are otherwise permanently absent, will be determined permanently absent.

Persons who report that an adult member has left the household in this situation must provide acceptable proof of absence if the adult member is to be considered permanently absent during the first three months.

If the adult leaves the household and the period of time is less than 3 months, the adult family member will be determined temporarily absent unless one of these verifications are provided:

1. Proof of absence which would be acceptable would include proof that the adult family member is living in another location such as utility bills, cancelled checks for rent, or telephone bills in his/her name at another location.
2. The three months specified in this section starts from the time the family reported the change in family composition.
3. If the adult is incarcerated, a document from the Court, prison or Probation Services Department must be obtained as to how long he/she will be incarcerated.

#### E. Joint Custody

Children who are subject to a joint custody agreement but live in the unit more than 50% of the time will be considered members of the household.

If both families are on the program or the waiting list, the child may be claimed by only one parent. The parents will be encouraged to make a decision as to which parent claims the child as a family member.

If there is no agreement by both parties, "50% of the time" is defined as 183 days of the year, which do not have to run consecutively.

#### F. Sole Member of Household

If the sole member of the household has to leave the household for more than ten days, the tenant must inform the Housing Department in

writing. Failure to notify the Housing Department in writing will authorize the Housing Department to enter and repossess the unit.

If the sole member of the household has to leave the household for more than 3 months, the unit will not be considered to be the sole member's principal place of residence and he/she will be terminated from the program unless the tenant requests an extension by submitting documentation from a reliable medical source that he/she will return within a total of 6 months (an additional 3 months.)

If a resident who is a sole member of a household has to leave the household to go to the hospital or nursing home, advice from a reliable medical source will be obtained as to the likelihood and timing of the resident's return. If the medical source feels the resident will be permanently confined to a nursing home, the resident will be considered permanently absent. If the resident is temporarily confined, the resident will not be considered permanently absent. In no event, however, will the unit be considered the resident's principal place of residence when the resident is out of the household for more than 6 months.

#### G. Additional Household Members

The family must request approval of additional household members other than by birth, adoption or custody of a child in which case the family must notify the Housing Department of this event. Families have the right to utilize the grievance procedure if a request for an addition to the household is denied.

#### H. Unauthorized occupants

The Housing Department will consider unauthorized occupants to be trespassers. The family in tenancy that allows an unauthorized occupant to reside in their unit is not in compliance with the lease and is subject to termination of tenancy.

#### I. Reporting to the Housing Department

The family will need to declare a member as permanently or temporarily absent in writing to the Housing Department. The Housing Department will advise the family at that time, or at reexamination, what the options are and how it might affect the Total Tenant Payment or the unit size.

The family should be counseled at briefings and reexamination on the effect of the permanently/temporarily absent policy on income.

## **14.0 COMMUNITY SERVICE/SELF-SUFFICIENCY REQUIREMENT**

This requirement does not apply to residents of Sunnyslope Manor and Fillmore Gardens.

Community Service is defined as “the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community.” In order to be eligible for continued occupancy, each adult family member must:

- A. Contribute eight (8) hours per month of community service (not including political activities), or
- B. Participate in an economic self-sufficiency program for eight (8) hours per month, or
- C. Perform eight (8) hours of combined activities that are described in this section.

At least eight (8) hours of activity must be performed each month. An individual may not skip a month and then double up the following month, unless circumstances warrant special consideration. The Housing Department will make the determination of whether to allow or disallow a deviation from the schedule.

Activities must be performed within the community. The Housing Department will not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by Housing Department employees, or replace a job at any location where residents perform activities to satisfy the service requirement.

### **14.1 COMMUNITY SERVICE VOLUNTEER WORK**

Community Service volunteer work includes but is not limited to:

- A. Monthly resident council meetings.
- B. Block watch meetings and activities.
- C. Volunteer activities at on-site community centers, including recreation centers and senior centers.

- D. Community events sponsored by Housing Department, other city departments and/or local non-profit agencies.
- E. Volunteer activities at a local institution including but not limited to: school, library, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- F. Volunteer activities at a nonprofit organization that serves Housing Department residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls clubs, 4-H program, PAL, Garden Center, Community cleanup programs, beautification programs, other youth or senior organizations;
- G. Volunteer activities at the Housing Department to help improve physical conditions;
- H. Volunteer activities at the Housing Department to help with children's programs;
- I. Volunteer activities at the Housing Department to help with senior programs;
- J. Helping neighborhood groups with special projects;
- K. Volunteer activities through resident organizations to help other residents with problems, serving as an officer in a resident organization, serving on the Resident Advisory Board; and
- L. Caring for the children of other residents so they may volunteer.

**Note:** Political activity is excluded.

## **14.2 SELF-SUFFICIENCY**

Self-sufficiency activities include but are not limited to:

- A. Job readiness programs sponsored by the Housing Department, other recognized educational or job training institution/organization;
- B. Job training programs sponsored by the Housing Department, other recognized educational or job training institution/organization;
- C. GED classes;

- D. Substance abuse or mental health counseling;
- E. English proficiency or literacy (reading) classes;
- F. Apprenticeships;
- G. Budgeting and credit counseling classes;
- H. Any class that helps a person toward economic independence, and;
- I. Full-time student status at any school, college or vocational school.

### **14.3 EXEMPTIONS**

The following adult family members are exempt from this requirement.

- A. Family members who are 62 or older;
- B. Persons with disabilities and certifies that, based on the disability, he or she cannot comply with the requirement;
- C. Caretakers of a person with a disability who has certified that based on the disability, he or she cannot comply with the requirement;
- D. Family members who are currently engaged in work activity at least 20 hours per week;
- E. Family members who are exempt from work activity under a State Program as stated by the Social Security Act or under any other State welfare program, including the welfare-to-work program;
- F. A member of a family receiving assistance, benefits or services under a State program funded under part A of title IV of the Social Security Act or under any other State welfare program, including a welfare-to-work program and who are in compliance with that program.

The Housing Department will make the final determination as to whether a family member is exempt from the Community Service requirement. Residents may use the Housing Department's Grievance Procedure if they disagree with the determination.

### **14.4 NOTIFICATION OF THE REQUIREMENT**

The Housing Department shall notify all family members of the community service requirement and of the categories of individuals who are exempt

from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status.

The notification will advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after July 1, 2001. For families paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. The notification will also advise residents that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

## **14.5 THE PROCESS**

At lease execution or at the first annual reexamination on or after July 1, 2001, and each annual reexamination thereafter, the Housing Department will:

- A. Provide the family with exemption verification forms and the community service tracking forms and a copy of this policy at lease execution.
- B. Include in the annual recertification notification letter a statement about the Community Service and Self Sufficiency Requirement, which will include a reminder to bring all pertinent documents to the reexamination appointment. The annual recertification letter is sent to the family at least 30 days, but no more than 120 days, prior to the reexamination.
- C. Reiterate, at each reexamination, the community service requirement and the consequences for non-compliance.
- D. Provide information about obtaining suitable volunteer positions and, to the greatest extent possible, provide names and contacts at agencies that can provide opportunities for residents, including disabled, to fulfill their Community Service obligations.
- E. Provide a community service tracking form to the family member. The tracking form requires the individual to complete the form and have the supervisor in charge of the appropriate activity date and sign the form for each period of work.
- F. Advise the family member that the completed form must be returned at the next annual reexamination.

## **14.6 FAMILY OBLIGATIONS**

- A. At lease execution or re-examination after July 1, 2001, all adult members (18 or older) of a public housing resident family must:
  - 1. Provide documentation that they are exempt from the Community Service requirement if they qualify for an exemption, and
  - 2. Sign a certification that they have received and read this policy and understand if they are not exempt, failure to comply with the Community Service requirement will result in nonrenewal of their lease.
- B. At each annual re-examination, non-exempt family members must present a completed community service tracking form (to be provided by the Housing Department) of activities performed over the previous twelve (12) months. The form will include space for supervisors, instructors or counselors to certify to the number of hours contributed.
- C. If a family member is found to be noncompliant at re-examination, he/she and the Head of Household will sign an agreement with the Housing Department to make up the deficient hours over the next twelve (12) month period.
- D. Change in exempt status:
  - 1. If, during the twelve (12) month period, a non-exempt person becomes exempt, it is his/her responsibility to report this to the Housing Department and provide documentation of such.
  - 2. If, during the twelve (12) month period, an exempt person becomes non-exempt, it is his/her responsibility to report this to the Housing Department. The Housing Department will notify the non-exempt person that they are no longer exempt and provide the person with the Certification/tracking documentation form along with a list of agencies in the community that provide volunteer and/or training opportunities.

#### **14.7 NOTIFICATION OF NON-COMPLIANCE WITH COMMUNITY SERVICES REQUIREMENT**

At least thirty (30) days prior to annual re-examination and/or lease expiration, the Housing Department will begin reviewing the exempt or non-exempt status and compliance of family members. If a family member is non-compliant with all or a portion of the community service requirement, the Housing Department will notify the family of the following:

- A. The family member(s) has been determined to be in noncompliance;
- B. The reason for the noncompliance;
- C. The family must enter into an agreement with the Housing Department to make up the deficient hours over the next twelve month period.
- D. If at the next annual re-examination, the family member still is not compliant, the Housing Department will not renew the lease and the entire family will have to vacate, unless the noncompliant member agrees to move out of the unit.
- E. That the determination is subject to the grievance procedure.

#### **14.8 OPPORTUNITY FOR CURE**

The Housing Department will offer the family member(s) the opportunity to enter into a written agreement prior to the anniversary of the lease to cure the deficiency. The agreement shall state that the family member(s) agrees to comply with the community service requirement for the current year and agrees to make up the hours for the previous 12-month period.

The cure shall occur over the 12-month period beginning with the date of the agreement. The resident shall, at the same time, stay current with that year's community service requirement. The first hours of service earned will be credited to the past year's commitment until the past year's commitment is complete.

## **15.0 INSPECTIONS**

Housing Department staff will conduct inspections to ensure the units and property are being maintained in a decent, safe and sanitary manner and meet the highest requirements of the Uniform Physical Condition Standard. The Housing Department reserves the right to photograph the conditions of any unit for documentation purposes.

### **15.1 MOVE-IN INSPECTIONS**

The Housing Department will require all families determined eligible and approved for admission to participate in a move-in-inspection.

A family may also be required to participate in a maintenance and housekeeping training program. Where this is the case, the family's failure to attend may also be grounds for a determination of ineligibility.

The family will be given a date to participate in a joint Housing Department-tenant move-in inspection. The head of household must participate in the scheduled move-in inspection. Family failure to comply will result in either a delay in occupancy or termination of the family's application. The purpose of the move-in inspection is to document the condition of the unit at the time the family is scheduled to take possession and to note any defects which exist.

If the defects are of a nature that the utility of the unit as a residential dwelling is diminished or the defect(s) pose a potential hazard to the health or safety of the occupants, the move-in will not take place until all such defects are remedied. The defects will be remedied within thirty days of the original target date for occupancy, unless it is impossible to remedy them within thirty days, in which case they will be remedied as soon as possible.

If the family and management agree that the noted defects do not diminish the utility of the unit and do not pose a hazard, the family will be allowed to take possession on the target date and staff will schedule the repairs to be completed within the first 30 days of tenancy.

A household inspection form will be utilized for evaluating the condition of the unit at move-in on a room-by-room basis. The family's signature on this form shall signify acceptance of the unit with the noted defects, if any. Staff's signature on the form will also confirm the condition of the unit as noted. If any defects are noted which require corrective action, the signature of the Housing Department representative will serve as

confirmation of the commitment to make such repairs within the prescribed 30 day time period, if possible.

### **15.2 PREVENTATIVE MAINTENANCE INSPECTIONS**

This inspection is intended to keep items in good repair and checks for the following: weatherization; the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures; leaks; [health and safety violations and other potential deficiencies in the unit](#). It also provides an opportunity to change furnace filters and provide other minor servicing that extends the life of the unit and its equipment.

### **15.3 SPECIAL INSPECTIONS**

A special inspection may be scheduled to enable HUD or others to inspect a sample of the housing stock maintained by the Housing Department, or as a result of an unsatisfactory preventative maintenance or housekeeping inspection. [Housing Department staff members may also conduct an immediate special inspection if they are already in the unit and observe health and safety deficiencies](#). A resident may be placed on a regular special inspection schedule as a result of repeated unsatisfactory preventative maintenance or housekeeping inspection.

### **15.4 HOUSEKEEPING INSPECTIONS**

The Housing Department will conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition. The resident will receive a copy of the Household Inspection Report for each inspection completed by the Housing Department. The Household Inspection Report will detail the condition of the unit at the time of the inspection and will indicate if an additional follow-up inspection is required. The resident, if present, should sign the Household Inspection Report.

### **15.5 NOTICE OF INSPECTION**

For inspections, preventative maintenance inspections, special inspections, and housekeeping inspections the Housing Department will give the tenant at least two (2) days written notice.

### **15.6 EMERGENCY INSPECTIONS**

If any employee and/or agent of the Housing Department has reason to believe that an emergency exists within the housing unit, the unit can be entered without notice. The person(s) that enters the unit will leave a

written notice to the resident that indicates the date and time the unit was entered and the reason why it was necessary to enter the unit.

### **15.7 PRE-MOVE-OUT INSPECTIONS**

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

### **15.8 MOVE-OUT INSPECTIONS**

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

## **16.0 RECERTIFICATIONS**

At least annually, the Housing Department will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) whether the family is housed in the correct unit size and (2) the rent the family will pay.

### **16.1 NOTIFICATION**

The Housing Department will send a notification letter to the family letting them know that it is time for their annual reexamination. The notification will state the date, time and place of the recertification interview. The letter will include forms for the family to complete in preparation for the interview and instructions permitting the family to reschedule the interview if necessary. The letter tells families who may need to make alternate arrangements due to a disability that they may contact staff to request a reasonable accommodation.

During the appointment, the Housing Department will determine whether family composition may require a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list.

### **16.2 MISSED APPOINTMENTS**

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the Housing Department taking eviction actions against the family.

For Sunnyslope Manor and Fillmore Gardens, the Housing Department will provide four notices to the family.

The Initial Notice will be provided to the resident upon the signing of the lease and at each annual recertification. The notice will serve as a reminder to the residents that they will need to report to the property management office on a future specified date during the following year to prepare for the next recertification.

The First Reminder Notice will be provided to the resident at least 120 days prior to the recertification anniversary date. The First Reminder Notice will inform the resident of the requirements of the recertification

process, provide a general date of the interview and list the information the resident should have available.

The Second Reminder Notice will be provided to the resident at least 90 days prior to the recertification anniversary date. The Second Reminder Notice will inform the resident of the requirements of the recertification process, list the information the resident should have available and list a specific date, time and location of the recertification interview.

The Third Reminder Notice will be provided to the resident at least 60 days prior to the anniversary date and will only be provided if the resident has failed to respond to all prior notices. This notice will serve as a 60-day notice to terminate assistance and as a 60-day notice of rent increase.

Each of the notices will indicate that if the resident fails to respond by the specified cutoff date contained in the notice, the resident will lose the assistance and be responsible for paying the contract rent, in accordance with HUD Handbook 4350.3.

### **16.3 VERIFICATION**

At the time of reexamination, all adult members of the household will be required to sign an application for continued occupancy and other forms required by HUD. Income, allowances, Social Security numbers and other data that is deemed necessary will be verified in accordance with the procedures outlined in Section 11.0 of this policy. All verified findings will be filed in the tenant file.

The Housing Department may check public records and obtain criminal and credit history reports for the purposes of investigating a discrepancy, if the Housing Department observes, receives or obtains information indicating a discrepancy in the information reported regarding income, allowances, social security numbers, household composition or other information provided by the resident during the move-in, or during an interim or recertification process.

### **16.4 FLAT RENTS**

This section does not apply to Sunnyslope Manor or Fillmore Gardens.

The annual letter to flat rent payers regarding the reexamination process will state the following:

- A. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the

reexamination process and having their rent based on the income-based amount.

- B. The amount of the flat rent.
- C. A fact sheet about income-based rents that explains the types of income counted, the most common types of income excluded, and the categories of allowances that can be deducted from income.
- D. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.
- E. Families who opt for the flat rent may request to have a reexamination and return to the income-based method at any time for any reason.
- F. The dates upon which the Housing Department expects to review the amount of the flat rent, the approximate rent increase the family could expect, and the approximate date upon which a future rent increase could become effective.
- G. The name and phone number of an individual to call to get additional information or counseling concerning flat rents.
- H. A certification for the family to sign accepting or declining the flat rent.

Each year prior to their anniversary date, Housing Department will send a reexamination letter to the family offering the choice between a flat or an income-based rent. The opportunity to select the flat rent is available only at this time. At the appointment, the Housing Department may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the Housing Department representative, they may make the selection on the form and return the form to the Housing Department. In such case, the Housing Department will cancel the appointment.

#### **16.4 THE INCOME-BASED METHOD**

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon receipt of verification, the Housing Department will determine the family's annual income and will calculate their rent as follows:

The total tenant payment is equal to the highest of:

- A. 10% of monthly income; or
- B. 30% of adjusted monthly income.

If the household includes one or more family members who do not claim to be citizens, nationals or eligible non-citizens, the total tenant payment will be prorated according to Section 12.5 of this document. The family will pay the greater of the total tenant payment or the current minimum rent of \$50, [except for residents of Sunnyslope Manor and Fillmore Gardens who will pay the greater of the total tenant payment or the current minimum rent of \\$25.](#)

### **16.5 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL RECERTIFICATION**

The new rent will generally be effective upon first day of the tenant's anniversary month with thirty (30) days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then the family will receive a 30-day notice and the rent increase will not be effective the first of the month following the expiration of that notice. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be retroactive to the anniversary date.

If the family caused the delay in the rent determination, then any rent increase will be retroactive to the anniversary date. Any rent reduction will not be effective until the first of the month after the rent amount is determined.

### **16.6 TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS**

- A. Standard for Timely Reporting of Changes

The Housing Department requires that all families report interim changes in writing to the Housing Department within thirty (30) calendar days of the change.

Tenants will be required to sign a new lease addendum when the thirty (30) day notice is given.

B. Procedures when the Change is Reported in a Timely Manner

The Housing Department will notify the family of any change in the tenant rent to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported. However, if procedures do not permit rapid confirmation and verification of the decrease, the reduced rent shall be put into effect on a temporary basis subject to verification. The resident must promptly pay the difference in rental amounts if confirmation and verification cannot be made in 60 days. Any material and substantial falsification of income is grounds for eviction.

C. Procedures when the Change is Not Reported in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increase in Tenant Rent will be effective retroactive to the first of the month following the date on which the resident should have reported. The family will be liable for any overpaid housing assistance. The Housing Department will collect the overpaid housing assistance through recoupment and/or a repayment agreement.

Decrease in Tenant Rent will be effective on the first of the month following the month that the change was reported.

D. Procedures when the Change is Not Processed by the Housing Department in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the Housing Department in a timely manner.

In this case, an increase will be effective after the required thirty day's notice prior to the first of the month after completion of processing by the Housing Department.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

## **16.7 INTERIM REEXAMINATIONS**

All families are required to report the following changes to the Housing Department within thirty (30) calendar days of the occurrence. [These changes may include, but are not limited to:](#)

- A. A member has been added to the family through birth or adoption or court-awarded custody.\*
- B. A household member is leaving or has left the family unit.
- C. Family break-up

In circumstances of a family break-up, the Housing Department will make a determination of which family member will retain the unit, taking into consideration the following factors:

1. To whom the unit was rented.
2. The interest of minor children or of ill, elderly, or disabled family members.
3. Whether the assistance should remain with the family members remaining in the unit.
4. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

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

Because of the number of possible circumstances involved in a family break-up, the Housing Department will make determinations on a case by case basis.

The Housing Department will issue a determination within 10 business days of the request for a determination. The family member requesting the determination may request an informal hearing.

D. All changes in income and eligible deductions, except changes in income as a result of annual cost-of-living increases to Social Security or SSI.

E. Interims will be processed if:

1. A family is on zero (0) income, Temporary Assistance to Needy Families (TANF), General Assistance (GA), and becomes employed or starts receiving any other type of income.

2. A family's rent was previously decreased and the current change would result in an increase.

3. A resident reports a change in household composition.

4. A family is a participant in the Family Self Sufficiency (FSS) program and they elect to have the interim processed prior to an annual recertification in order to establish or increase monthly escrow postings.

5. Decrease in Income of Families Paying Income-Based Rent

If a family is paying income-based rent and experiences a reduction in income, the family may request an interim reexamination of family income. The Housing Department will adjust the family's rent to correspond to the new verified income, effective the first day of the month following the reported change in circumstances.

6. Change in Circumstances (Increase in Eligible Deductions) of Families Paying Income-Based Rent

Occasionally, families paying income-based rent experience a verified change in their circumstances that would qualify them for a reduction in income-based rent even though their incomes have not decreased. These circumstances would increase the family's deductions and thus reduce their adjusted income. Examples include:

- a. When families gain an additional dependent;
- b. When a family's child care costs increase with no increase in income;
- c. When an elderly or disabled family's unreimbursed medical costs increase;
- d. When a family that was not an elderly or disabled family becomes an elderly or disabled family; and
- e. When a family's disability expense allowance increases.

7. Hardship of Families Paying Flat Rent

When families who have elected to pay flat rent experience certain hardships, they are eligible for a reduction of rent to an income-based rent. The Housing Department will adjust the rent in the following circumstances:

- a. The family has experienced a verified loss in income because of changed circumstances, including loss of reduction of employment, death in the family, or reduction in or loss of earnings or other assistance.
- b. The family has experienced a verified increase in expenses because of changed circumstances such as increased medical costs, child care, transportation, education or similar items.

8. [Interim income increases for residents of Sunnyslope Manor and Fillmore Gardens will only be processed if there is an increase in income of \\$200 or more per month.](#)

[F. An interim will not be processed due to:](#)

1. [Changes in income as a result of annual cost-of-living increases to Social Security or SSI.](#)
2. [Increases in salary.](#)
3. [Changes in jobs that result in a higher income.](#)
4. [Changes in unearned income sources.](#)

## **16.8 OTHER INTERIM REPORTING ISSUES**

If the Housing Department makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

An interim reexamination does not affect the date of the annual re-certification.

Family members over the age of 18 in families reporting zero income must report their income status to the Housing Department monthly.

### Imputed Welfare Income

With the passage of QHWRA in 1998, public housing residents are given a greater incentive to comply with welfare requirements that participants move toward economic independence, the law established two situations in which the Housing Department will not reduce rents, even though resident families have reduced incomes. Instead of reducing rent, the Housing Department must “impute” welfare income to the family in an amount equal to the reduction in benefits.

#### **A. Economic Self-Sufficiency Requirements**

The imputed income provisions apply only to residents who receive welfare assistance from a government program that requires a family member to participate in an economic self-sufficiency program as a condition for receipt of assistance. Imputed welfare income rules are not applicable to social security benefits, SSI or general assistance. The programs to which the imputed welfare income rules apply are funded under the federal program of Temporary Assistance to Needy Families (TANF), although some state and local programs also have similar economic self-sufficiency requirements. 24CFR 5.603 defines economic self-sufficiency program as, “Any program designed to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship and any program necessary to ready a participant for work (including a substance abuse or mental health treatment program) or other work activities.” Also included would be General Equivalency Diploma

programs, certain higher education and work readiness programs. Economic self-sufficiency requirements are generally tailored to each welfare recipient's situation, so the same programs will not be required for every resident.

#### B. Reductions to Rent

The Housing Department will not reduce rent, even though the family has experienced a reduction in benefits when welfare benefits are verified to have been reduced because of welfare fraud or when welfare benefits are verified to have been reduced because of noncompliance with economic self-sufficiency requirements. These are the only situations in which welfare income is imputed.

Any other time a resident's welfare grant is reduced or terminated, the Housing Department must reduce rent in accordance with the Admissions and Continued Occupancy Policy.

#### C. Verification Standards

Before the Housing Department will make a determination about whether or not to grant a rent reduction, or, conversely, impute welfare income, verification will be obtained from the welfare agency of the dollar amount of welfare reduction, the term of the reduction and the reason for the reduction. With this information, the Housing Department will make a determination about whether or not to impute welfare income. The Housing Department will rely on the welfare agency's verification. If a resident wishes to dispute the welfare agency's allegations about welfare fraud or failure to comply with economic self-sufficiency requirements, the resident must appeal through the welfare program's channels. The Housing Department may, but is not required, to delay imputing welfare income until such appeals are exhausted.

#### D. Method for Imputing Welfare Income

After the Housing Department receives verification that it is appropriate to impute welfare income, the Housing Department can determine the imputed welfare amount. The imputed welfare amount is the amount by which the welfare grant has been reduced. The amount of time during which welfare income will be imputed is the term of the welfare benefit reduction. This is to say that the Housing Department is required to compute rent exactly as if the welfare benefit reduction had not occurred until either the benefit reduction ceases or the resident obtains some additional type of income.

E. Offsetting Imputed Welfare Income with Additional Income

If the Housing Department is imputing welfare income in computing a resident's rent and the resident's income increases for any reason (e.g., earned or unearned income), the new income is not added to the former income (which includes the imputed welfare income.) Instead, the new income takes the place of the imputed welfare income. Thus, when a resident with imputed welfare income obtains any additional income, it is not added to the overall income until it exceeds the amount of the welfare sanction amount.

G. Imputed Welfare Income and Earned Income Disallowance

Occasionally, a resident who is having welfare income imputed will go to work and qualify for an earned income disallowance. The baseline income for such a resident will include the imputed welfare income, rather than being based on the actual cash welfare income.

## **17.0 PIC AND EIV DATA**

At move-in and during an interim or annual recertification, the Housing Department will electronically submit HUD Form-50058 containing required resident data to HUD through the Public and Indian Housing Information Center (PIC). For residents of Sunnyslope Manor and Fillmore Gardens, the electronic submission is HUD Form-50059 and is submitted through the Tenant Rental Assistance Certification System (TRACS).

The PIC system will verify resident provided data with the computer matching program, Enterprise Income Verification (EIV). EIV will provide the Housing Department with identity verification and the household income report, which will be used for the following:

- A. Identify income not previously reported;
- B. Identify new employment;
- C. Identify reason(s) for resident failed identity verification;
- D. Determine need to pursue third-party verification; and
- E. Identify historical patterns of earning and received income

### **17.1 SECURITY PROTOCOL**

Housing Department staff may not disclose EIV data to any third parties, including requests via subpoena, etc. The Housing Department may provide EIV data only to the individual to whom the record pertains and EIV data of minors may be provided to the minor's parent or guardian. EIV data of adult children may not be provided to heads of household.

Auditors may review file folder contents for audit purposes only.

### **17.2 IDENTITY VERIFICATION**

The EIV Failed Verification Report will provide the Housing Department information useful in correcting invalid tenant personal identifiers such as incorrect social security numbers, dates of birth and surnames.

Residents will be required to meet with Housing Department staff to discuss the reason for a failed identity verification report, as necessary. Residents are also required to provide any documentation necessary to

mitigate the discrepancy. Staff will only contact the resident after it has been determined that the failed verification is not a result of input error.

### **17.3 INCOME VERIFICATION**

At interim or annual recertification EIV data, combined with resident-provided documents will be utilized to calculate anticipated annual income. Resident provided documents are required to be dated within 60-days of the reexamination interview date. Pay stubs are required to be consecutive and current.

Third-party verification will only be necessary when:

- A. EIV and resident-provided documents do not match;
- B. The resident disputes EIV data;
- C. Additional information is required, such as effective dates of employment, pay rate, number of hours worked and pay frequency for new jobs; or
- D. Confirmation of change in circumstances such as reduced hours or reduced rate of pay.

### **17.4 INCOME DISCREPANCIES**

EIV Income Discrepancy reports will be reviewed by staff at least quarterly. If there are discrepancies between resident reported income information and the Household Income Report, the Housing Department will:

- A. Identify under-reported income and/or unreported income sources;
- B. Review current and historical HUD Form-50058's;
- C. View past and current interim and annual reexamination documents in the resident file;
- D. Verify effective dates of new and terminated income sources;
- E. Discuss the income discrepancy with the resident;
- F. Obtain additional documents from the resident and/or a third-party if necessary; and

- G. Obtain Social Security Earnings Statement for historical wage earnings.

No adverse action will be taken based solely on EIV data.

If the Housing Department determines that the income discrepancy is not valid, the tenant file will be documented as such.

If the Housing Department determines that the income discrepancy is valid and the resident intentionally/unintentionally misrepresented household income, retroactive rent will be due. Retroactive rents will be determined by recalculating the correct tenant rent based on omitted income during previous interim or annual reexaminations.

### **17.5 NEW HIRE REPORT**

EIV New Hire reports will be reviewed by staff at least quarterly. If there are discrepancies between resident reported employment information and the New Hire Report, the Housing Department will:

- A. Identify unreported income sources;
- B. Review current and historical HUD Form-50058's;
- C. View past and current interim and annual reexamination documents in the resident file;
- D. Verify effective dates of new and terminated income sources;
- E. Send a letter reminding the resident of the policy regarding the reporting of interim changes within 30 days and the applicable change form to the resident; and
- F. Obtain additional documents from the resident and/or a third-party if necessary.

### **17.6 DECEASED TENANTS REPORT**

EIV Deceased Tenants reports will be reviewed by staff at least quarterly. If there are discrepancies between family composition information and the Deceased Tenants Report, the Housing Department will:

- A. Review current and historical HUD Form-50058's;

- B. Send a letter reminding the resident of the policy regarding the reporting of interim changes within 30 days and the applicable change form to the resident;
- C. Based on information reported as a result of the letter and interim change form, staff will take appropriate action in accordance with this policy; and
- D. Residents are required to provide any documentation necessary to mitigate the discrepancy.

### **17.7 MULTIPLE RENTAL ASSISTANCE REPORT**

EIV Existing Tenant Search and Multiple Subsidy reports will be reviewed by staff at least quarterly. If any member of a household appears on either of the reports, the Housing Department will:

- A. Review current and historical HUD Form-50058's;
- B. View the original application for assistance, and past and current interim and annual reexamination documents in the resident file;
- C. Contact the resident to advise that it appears that he or she is already receiving assistance, and provide the opportunity to explain and provide documentation proving that he or she is not currently receiving assistance in another program;
- D. If necessary, contact the other jurisdiction to confirm tenancy status; and
- E. Tenants are required to provide any documentation necessary to mitigate the discrepancy and staff will take appropriate action in accordance with this policy.
- F. If it is determined that a tenant is receiving two subsidies, the Department will charge the tenant family the flat or market rent for the entire period of time that two subsidies were received.

## ***18.0 REPAYMENT AGREEMENTS***

When a resident owes the Housing Department back charges and is unable to pay the balance by the due date, the resident may request that the Housing Department allow them to enter into a Repayment Agreement. The Housing Department has the sole discretion of whether to accept such an agreement. All Repayment Agreements must assure that the full payment is made within a period not to exceed twelve (12) months. All Repayment Agreements must be in writing and signed by both parties. Failure to comply with the Repayment Agreement terms may subject the resident to eviction procedures.

Any agreement that extends beyond the 12 month period must have the approval of the Deputy Director.

## **19.0 UNIT TRANSFERS**

### **19.1 CATEGORIES OF TRANSFERS**

Category 1: Emergency transfers. These transfers are necessary when conditions pose an immediate threat to the life, health, or safety of a family or one of its members. Such situations may involve [an unsafe or uninhabitable condition of the unit or the building in which it is located](#).

Category 2: Reasonable Accommodation or Medical: These transfers are necessary in order to permit a family that needs accessible features to move to a unit with such a feature or to accommodate a medical need as recommended by a physician.

Category 3: Demolition, Disposition, Revitalization or Rehabilitation: These transfers permit the Housing Department to demolish, sell or do major revitalization or rehabilitation work at a building or site.

Category 4: Deconcentration: These transfers are made to provide an incentive to families to assist in meeting the Housing Department's deconcentration goal.

Category 5: Occupancy Standards: [These transfers are necessary to meet Housing Department occupancy goals, and to correct occupancy standards where the unit size is inappropriate for the size and composition of the family.](#)

Category 6: Scattered Sites Program: [These transfers are necessary to ensure that families in the Scattered Sites Program continue to meet the eligibility requirement for the Section 32 homeownership program – evidence of steady verifiable income. Those families who do not meet this requirement for 12 months during their term of tenancy will be required to transfer to a different public housing program.](#)

Exceptions will include:

- [Head of household or spouse who are full time students as defined by their institution of higher learning.](#)
- [Head of household or spouse who become disabled as defined in Appendix I: Glossary.](#)

Category 7: Resident Choice: These transfers are based on the resident's request to live in another unit or property and are based only on the resident's preference, not any identifiable need.

## **19.2 TRANSFER REQUESTS**

A tenant may request a transfer at any time by completing a transfer request form. Residents will be considered for transfers only if the family:

- A. Has not engaged in criminal activity in accordance with this policy;
- B. Does not owe back rent or other charges;
- C. Does not demonstrate a pattern of late rental payments;
- D. Has not had any lease violations; and
- E. Has demonstrated the ability to care for the unit as evidenced by historical unit inspection reports.

In considering the request, the Housing Department may request a meeting with the tenant to better understand the need for transfer and to explore possible alternatives. The Housing Department will review the request in a timely manner and if a meeting is desired, it shall contact the tenant within ten (10) business days of receipt of the request to schedule a meeting.

The Housing Department will grant or deny the transfer request in writing within ten (10) business days of receiving the request or holding the meeting, whichever is later.

## **19.3 DOCUMENTATION**

When the transfer is at the request of the family, the family may be required to provide third party verification of the need for the transfer.

## **19.4 PROCESSING TRANSFERS**

Transfer lists are maintained by the management staff at each site. Transfers on the waiting list will be sorted by the above categories and within each category by date and time.

Transfers in categories 1, 2, 3 and 4 in Section 19.1 will be housed ahead of any other families, including those on the applicant waiting list. Transfers in categories 5 and 6 will be housed at the discretion of management.

Upon offer and acceptance of a unit, the family will execute all lease up documents within two (2) days of being informed the unit is ready to rent.

The first month's rent on the new unit will begin on the date the family takes possession of the unit. The rent and other charges (key deposit and any additional security deposit owing) must be paid at the time of lease execution.

The following is the policy for the rejection of an offer to transfer:

- A. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.
- B. If the transfer is being made at the request of the Housing Department and the family rejects two offers without good cause, the Housing Department will take action to terminate their tenancy. Residents of Sunnyslope Manor and Fillmore Gardens will be required to pay the contract rent.

If the reason for the transfer is that the current unit is too small to meet the Housing Department's optimum occupancy standards, the family may request in writing to stay in the unit without being transferred so long as their occupancy will not exceed two people per living/sleeping room.

- C. If the transfer is being made at the family's request, the family may, without good cause and without penalty, turn down one offer. After turning down a second such offer without good cause, the family's name will be removed from the transfer list.

### **19.5 COST OF THE FAMILY'S MOVE**

- A. The cost of the move for the Categories 1-6 (see 19.1) will be borne by the Housing Department:
- B. The cost of the move for transfers in Category 7, Resident Choice (see 19.1), will be the responsibility of the resident. In addition, the resident will be required to pay the cost of preparing their current unit for re-occupancy. The make-ready work must be done by a contractor approved by the Housing Department.
- C. The responsibility for moving costs in other circumstances will be determined on a case by case basis.
- D. When the transfer is at the request of the family, it will not be approved unless the family is in good standing with the Housing Department. This means the family must be in compliance with their lease, current

in all payments to the Housing Department, and must pass a housekeeping inspection.

- E. If the transfer is approved, the family's name will be added to the transfer waiting list.
- F. If the transfer is denied, the denial letter will advise the family of their right to utilize the grievance procedure.

### **19.6 RIGHT OF THE HOUSING DEPARTMENT IN TRANSFER POLICY**

The provisions listed above are to be used as a guide to insure fair and impartial means of assigning units for transfers. It is not intended that this policy will create a property right or any other type of right for a tenant to transfer or refuse to transfer.

### **19.7 ADMINISTRATIVE WAIVERS**

Administrative waivers approved by the Housing Director will be required for a transfer to any unit that is in a different housing program.

Administrative waivers will be required for [Scattered Sites](#) or public housing residents who wish to participate in the Section 8 Homeownership Program.

Under no circumstances can a waiver be granted to allow a tenant family to move into Sunnyslope Manor or Fillmore Gardens.

## **20.0 PET POLICY**

### **20.1 PURPOSE**

The Housing Department has adopted a Pet Policy for residents of housing programs. It is Housing Department policy that all tenants be allowed quiet enjoyment of the premises. No pet will be allowed or permitted to remain that constitutes a nuisance or threat to Housing Department staff or residents or detracts from any neighbor's quiet enjoyment of his/her home. Violation of any of the rules for pets and addendum to lease will be considered a breach of the lease and may be cause for removal of the pet and/or eviction.

### **20.2 EXCLUSIONS**

This policy does not apply to service animals that are used to assist, support or provide service to persons with disabilities. Service and companion animals are allowed in all housing facilities with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner, to refrain from disturbing their neighbors, and from constituting a safety threat. Service animals are defined by the Americans with Disabilities Act (ADA) as any guide dog, signal dog, or other animal that provides assistance to an individual with a disability.

### **20.3 APPROVAL**

Residents must have prior approval of the Housing Department before moving a pet into their unit. Residents must request approval by executing the appropriate Pet Lease Addendum and providing all required information and documentation. As a requirement to pet ownership, the resident must be able to demonstrate the ability to care for the pet. A history of late rent payments, failure to pass household inspections, or other lease violations may prohibit the resident from maintaining a pet in the unit.

### **20.4 TYPES AND NUMBER OF PETS**

The Housing Department will allow only one domesticated dog or cat per household. The animal may not exceed twenty-five (25) pounds in weight when fully grown, except service animals and in the Scattered Sites program where there is no weight restriction for an animal. All dogs or cats must be neutered or spayed. A veterinary certificate must be provided to the Housing Department. Any aggressive animal, including attack or

trained fighting dogs, deemed to be potentially harmful to the health or safety of others, will not be allowed.

## **20.5 INOCULATIONS/LICENSE**

Prior to approval of a pet, the tenant will be required to show proof that his/her pet has been properly vaccinated, is spayed or neutered, and that all local licensing requirements have been met, where applicable. No Pet Addendum will be executed and the pet shall not be allowed on the premises if it has not been properly vaccinated and licensed. On an annual basis, tenant must bring the current license and proof of vaccination of the pet to the Housing Department. Failure to do so will result in removal of the pet from the household.

## **20.6 PET DEPOSIT**

A pet deposit of \$100.00 or one month's rent (before any utility allowance), whichever is less, shall be required. The pet deposit is to cover potential damage by the pet and will be returned, less the cost of any damages incurred as a direct result of the pet. Damages will be assessed by the Housing Department at the time the tenant vacates or the time the tenant disposes of the pet. The deposit will not bear interest. A minimum of \$25.00 of the pet deposit must be collected as the initial payment toward the full deposit. The remaining balance must be paid in a maximum of three successive monthly payments of \$25.00. For Sunnyslope Manor and Fillmore Gardens residents, the initial deposit cannot exceed \$50 and the remaining balance can be paid in increments not to exceed \$10 per month.

## **20.7 FINANCIAL OBLIGATION OF RESIDENTS**

Any resident who owns or keeps a pet in their dwelling unit will be required to pay for any damages caused by the pet. Any pet-related insect infestation in the pet owner's unit will be the financial responsibility of the pet owner. The Housing Department reserves the right to exterminate insect infestations in the dwelling unit and charge the resident.

## **20.8 PET CARE/PET IDENTIFICATION**

The resident will be solely responsible for the maintenance of the pet in a healthy environment and will insure that the pet receives proper care and humane treatment. Pets are not to be left unattended for periods of time exceeding 24 hours or longer. Pets requiring licensing shall wear a collar displaying identification. Failure to comply will result in removal of the pet.

## **20.9 NUISANCE OR THREAT TO HEALTH OR SAFETY**

The pet must be maintained in a manner to prevent odors and any other unsanitary conditions in the owner's unit and surrounding areas. Repeated substantiated complaints by neighbors or Housing Department personnel regarding pets disturbing the peace of neighbors through noise, odor, animal waste, or other nuisance will result in the removal of the pet and/or the issuance of a Notice of Lease Termination and/or eviction. A single incident of a pet threatening the health or safety of anyone may result in removal of the pet or a notice of lease violation and/or termination of the lease.

## **20.10 DESIGNATION OF PET AREA**

Pets must be kept in the owner's unit or on a leash at all times when outside. No outdoor cages/dog houses may be constructed in conventional public housing or senior housing. Pets will not be tethered outside of units in conventional public housing or senior housing. When outdoors, pets will be on a leash no longer than five feet in length, or carried in a closed, ventilated container used for the purposes of transporting live animals. The resident shall insure that the pet does not wander into neighboring yards or common areas. Pets will be allowed only in designated areas on the grounds of the public housing developments. Pet owner's must clean up after their pets and are responsible for disposing of pet waste and debris. Pet owners that fail to clean up pet waste/debris will be charged \$5 for each violation. Continuous violations of this rule may lead to the termination of the lease.

## **20.11 VISITING PETS**

Pets belonging to visitors and family members not on the lease will not be allowed on the premises without prior written approval of the Housing Department.

## **20.12 REMOVAL OF PETS**

The Housing Department, or an appropriate community authority, shall require the removal of any pet from a housing site if the pet's conduct or condition is determined to be a nuisance, or if the pet becomes vicious, displays symptoms of severe illness or demonstrates behavior that constitutes a threat to the health or safety of other occupants of the site, other persons in the community where the housing site is located, or City staff and contractors.

***20.14 DESIGNATED RESPONSIBLE PARTY FOR EMERGENCY PURPOSES***

Resident shall provide the name, address and phone of someone who would keep the animal in the event of owner's illness or death. In the event that the party cannot be reached, the Housing Department will contact Maricopa County Animal Control and/or the Arizona Humane Society to remove the pet.

## **21.0 VIOLENCE AGAINST WOMEN ACT (VAWA)**

The Violence Against Women Act, Subtitle N of Title VI of VAWA, entitled “Addressing the Housing Needs of Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking,” added some rights to residents living in properties that are part of the Housing Programs.

The protections of VAWA apply to both male and female residents of the Housing Programs and authorized immediate family members who are living with them who are victims of domestic violence, dating violence and stalking.

It is important that residents notify the management office if they are a victim of domestic violence, dating violence, sexual assault or stalking, or if a resident believes he or she is entitled to claim victim status under VAWA. Staff is able to provide resident referrals to appropriate agencies. Families in crisis are referred to the police.

### **21.1 TERMINATION OF TENANCY/EVICTION**

The Housing Department will not terminate tenancy based on an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking against the tenant or an immediate family member of the tenant.

If a member of the tenant’s household, or a guest or other person under the tenant’s control engaged in such domestic violence, dating violence, or stalking against the tenant, such acts shall not be considered as:

- A. A serious or repeated violation of the lease by the tenant;
- B. Good cause for terminating the tenant’s tenancy or occupancy rights;  
or
- C. Criminal activity for terminating the tenant’s tenancy or occupancy rights.

However, the Housing Department may take the following actions:

- A. Bifurcate a lease to evict a household member who is the perpetrator of such violence without penalizing the tenant victim.
- B. Honor court orders addressing rights of access or control of the property.

- C. Evict the tenant for any violation of a lease not related to the domestic violence, dating violence, or stalking, provided the tenant victim is not subject to a more demanding standard than non-victims in the Housing Department's determination of whether to evict the tenant.
- D. Evict the tenant victim if the Housing Department can demonstrate an actual and imminent threat to other tenants (including neighbors if the tenant victim is living in one of the Housing Department's Scattered Sites properties) or individuals employed at or providing service to the property if the tenant victim is not evicted.

## **21.2 CERTIFICATION AND FAILING TO PROVIDE REQUESTED CERTIFICATION**

The Housing Department may request that the tenant certify that he or she is a victim of domestic violence, dating violence, sexual assault or stalking and that the incidents of violence are bona fide incidents. The certification must include the perpetrator's name.

Tenants are required to provide the Housing Department with the requested certification within 14 business days after receiving a written certification request.

If the tenant does not provide the Housing Department with the requested certification within the 14-day period:

- A. The tenant will not be entitled to claim victim status under VAWA, and
- B. The Housing Department may terminate tenancy and commence eviction proceedings.

The Housing Department may at its discretion extend the time period for certification.

## **21.3 CONFIDENTIALITY**

All information provided to the Housing Department for the certification, including the tenant's status as a victim, is confidential. The exceptions to confidentiality are:

- A. The tenant authorizes the Housing Department to release and/or use the information.
- B. The information is required for use in eviction proceedings.

C. The information is otherwise required by law.

## **22.0 SCATTERED SITES ESCROW ACCOUNTS**

The Quality Housing and Work Responsibility Act (QHWRA) permits the City of Phoenix Housing Department, through Section 32 of the U. S. Housing Act of 1937, to make public housing dwelling units available for purchase by low- to moderate-income families as their principal residence.

To provide an incentive for participation of Scattered Sites families in the Section 32 Homeownership program, the Housing Department will establish an escrow account when their monthly tenant rent reaches a minimum threshold.

Each month that a family in the Scattered Sites program pays a tenant rent of at least \$475 in full by the 5<sup>th</sup> day of the month, a deposit of \$100 will be credited toward their escrow account. The maximum amount that may be accrued in the escrow account is \$6,000.

The escrow account represents a portion of the rent paid for residing in the unit. It remains a Housing Department asset until it is used toward the down payment and closing costs of the purchase of a Scattered Sites home. At no other time will these funds be accessible to the resident.

## **23.0 TERMINATION OF ASSISTANCE**

### **23.1 STATEMENT OF POLICY**

This section applies only to Sunnyslope Manor and Fillmore Gardens.

When terminating assistance, the Housing Department increases the resident's rent to the HUD approved contract rent. Terminating assistance does not automatically terminate tenancy.

It is the intent of the Housing Department to terminate assistance based only on a change in the resident's eligibility for assistance or the resident's failure to fulfill specific responsibilities under program requirements. The Housing Department will not take action to terminate assistance based on other factors.

### **23.2 GROUNDS FOR TERMINATION OF ASSISTANCE**

Terminations of assistance by the Housing Department must be carried out in accordance with HUD regulations. The Housing Department may terminate only for:

- A. A resident fails to provide required information at the time of recertification, including changes of family composition, or changes in income or social security numbers for new family members.
- B. A resident fails to sign/submit the required consent and verification forms, form HUD-9887 and form HUD-9887A.
- C. An annual or interim recertification determines that the resident has an increased ability to pay the full contract rent.
- D. A resident fails to move to a different sized or type unit within 30 days after the Housing Department notifies him/her that the unit of the required size or type is available. If the resident remains in the same unit, the resident must pay the full contract rent.
- E. The resident does not report notification from HUD or any agent of HUD, concerning a discrepancy in the income reported by the Resident and the income HUD or any agent verified, to the Landlord in the timeframe specified in the notice.
- F. A resident has begun receiving assistance, but the Housing Department 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.

### **23.3 HOUSING DEPARTMENT NOTICE REQUIREMENTS**

In any case where the Housing Department terminates assistance to the family, the Housing Department must give the family written notice which:

- A. States the specific date the assistance will terminate;
- B. States the reason(s) for terminating assistance;
- C. States the amount of rent the resident will be required to pay;
- D. Includes notification that if the resident fails to pay the increased rent, the Housing Department may terminate tenancy and seek to enforce the termination in court; and
- E. The notice will be served to the resident by sending the letter first class to the unit address and delivering a copy of the notice to any adult answering the door to the unit. If no adult answers the door, the notice will be placed under or through the door, or affixed to the door.

### **23.4 REINSTATEMENT OF ASSISTANCE**

The Housing Department will reinstate a resident's terminated assistance if:

- A. The original termination of assistance was due to the resident's failure to recertify or the resident's increased ability to pay;
- B. The original termination of assistance was not due to fraud;
- C. The resident is eligible for assistance if based on the income and rent calculation that the resident would pay less than the contract or flat rent;
- D. The resident submits the required information; and
- E. Assistance is available for the unit.

## **24.0 TERMINATION OF TENANCY**

### **24.1 STATEMENT OF POLICY**

It is the intent of the Housing Department to provide housing and housing-related services to residents consistent with the Housing Department's obligations under the Lease Agreement and its responsibility as a landlord under any applicable provisions of State/local law.

It is also the intent of the Housing Department to provide and promote a quality of life in its housing developments in a manner which best meets the housing and community needs of all residents.

The Housing Department will aggressively pursue termination of tenancy for any and all families who fail to live up to their lease obligations.

### **24.2 GROUNDS FOR TERMINATION OF TENANCY**

Terminations by the Housing Department must be carried out in accordance with HUD regulations, and State and local law. The Housing Department may terminate only for:

- A. The Resident's material noncompliance with the terms of the lease;
- B. The Resident's material failure to carry out obligations under any State Landlord and Tenant Act;
- C. Drug related criminal activity engaged in on or near the premises, by any Resident, household member, or guest and any such activity engaged in on the premises by any other person under the resident's control;
- D. Determination made by the Housing Department that a household member is illegally using a drug;
- E. Determination made by the Housing Department 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;
- F. Criminal activity by a Resident; any member of the Resident's household, a guest or another person under the Resident's control that:
  1. Threatens the health, safety or right to peaceful enjoyment of the premises by other residents including property management

staff residing on the premises, the Housing Department's employees or contractors; or

2. Threatens the health, safety or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises.
  3. The Resident or any member of the Resident's household is:
    - a. A fugitive felon and is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the Resident or household member flee, or in the case of the State of New Jersey is a high misdemeanor; or
    - b. Violating a condition of probation or parole imposed under Federal or State Law.
  4. The Resident or a member of the Resident's household is required to register under a State sex offender registration program. This section also applies to Resident guests or other persons under the Resident's control, when the Resident has or receives knowledge of the required registration.
  5. Determination made by the Housing Department 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.
  6. The Housing Department determines that the Resident, any member of the resident's household, a guest or another person under the resident's control has engaged in the criminal activity regardless of whether the Resident, any member of the resident's household, a guest or another person under the resident's control has been arrested or convicted for such activity.
  7. Other good cause, which includes, but is not limited to, the Resident's refusal to accept the Housing Department's proposed change to the Dwelling Lease. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.
- G. The term material noncompliance with the lease includes:
1. One or more substantial violations of the lease;

2. Repeated minor violations of the lease that:
    - a. disrupt the livability of the project;
    - b. adversely affect the health or safety of any person or the right of any tenant to enjoy the quiet enjoyment of the leased premises and related project facilities;
    - c. interfere with the management of the project or Program; or
    - d. have an adverse financial effect on the project or Program;
  3. Failure of the Resident to timely supply all required information on the income and composition, or eligibility factors, of the resident household (including, but not limited, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, or to knowingly provide incomplete or inaccurate information); and
  4. Non-payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.
- H. If a family member is non-compliant with all or a portion of the community service requirement, the Housing Department will notify the family that they must enter into an agreement with the Housing Department to make up the deficient hours over the next twelve month period. If at the next annual re-examination, the family member still is not compliant, the Housing Department will not renew the lease and the entire family will have to vacate, unless the noncompliant member agrees to move out of the unit.

### **24.3 TERMINATION FOR FRAUD**

If there is a determination that the family's false reporting was due to an unintentional error, the Housing Department will make its determinations retroactive to the date that the correct information was available and note all affected documents accordingly. The family will be notified of any such determinations and advised of their right to an informal settlement meeting and/or a grievance hearing.

If there is a determination that the family knowingly provided false information, the Housing Department will make a determination of

fraudulent activity by the family and take action(s) necessary to terminate the tenancy of the family.

A. Investigating Improper and Inaccurate Information for Certification/Recertification Purposes

1. If the Housing Department suspects the tenant and/or any adult household member has inaccurately supplied or deliberately misrepresented information affecting rent and/or eligibility, designated staff will conduct an investigation and document tenant's statements and conflicting information.

To investigate questionable information the Housing Department may:

- a. Confront the tenant with the tenant's information and any conflicting information;
  - b. Obtain additional information from other persons or agencies; or
  - c. Take other actions to verify either the tenant's information or the conflicting information.
2. If staff efforts conclude that tenant supplied incorrect information, designated staff of the Housing Department must:
    - a. Document findings in writing;
    - b. Notify the tenant in writing of the error, identifying what information is believed to be incorrect;
    - c. Provide the tenant with an opportunity, within 10 calendar days, to meet with Housing Department and discuss the allegations;
    - d. Inform tenant that failure to do so may result in termination of tenancy.
  3. Any meeting held must be conducted by someone who is designated by the Housing Department, but who has not been involved in the investigation in any way.
  4. If the tenant responds and convinces the Housing Department that the tenant's submissions were correct, Housing Department staff will document the correction accordingly and close the investigation.

5. If Housing Department determines that the tenant is wrong, and there are objective grounds for suspecting fraud by the tenant, the designated staff must evaluate the circumstances and the intentions behind the action(s) in order to determine the most appropriate course of action.

## B. Identification of Fraud

Tenant violations can be programmatic or criminal in nature.

A program violation occurs when the tenant by action or inaction breaches a lease, regulation or other program requirement. Tenant errors occur because tenants misunderstand or forget rules.

Staff must be careful when making a determination of "fraud" as fraud has a legal definition and is usually determined as the result of a legal proceeding.

Fraud is deceit or trickery deliberately practiced in order to gain some advantage dishonestly. Fraud is intentional deception; it cannot be committed accidentally.

Fraud can be handled as a civil and/or criminal violation. Fraud can be handled civilly by using it as grounds for termination of tenancy, as providing false information constitutes material non-compliance with the lease.

Fraud is handled criminally when a local or Federal prosecutor decides to prosecute the tenant for violation of State or Federal law. To convict the tenant, the prosecutor must show the court that the case contains all the elements of criminal fraud.

## C. Taking Action for Fraud

If the Housing Department is using fraud for the basis of an action, then the file must contain documents that show the following.

1. Tenant was made aware of program requirements and prohibitions (this can be evidenced by tenant signatures on all required forms);
2. Tenant violated the law by intentionally misstating or withholding some material information (strongest proof is an admission by the tenant).

3. Fraudulent intent can be demonstrated by evidence that:
  - a. the act was done repeatedly;
  - b. there was a prior determination of fraudulent intent or conviction;
  - c. false names or Social Security numbers were used;
  - d. tenant falsified, forged or altered documents;
  - e. tenant omitted material facts which were known to the tenant (at time of interview or certification);
  - f. admission to others of the illegal actions or omissions.

If intentional misstatement or withholding of information cannot be substantiated through the Housing Department's documentation, the Housing Department will treat the case as an unintentional program violation.

When fraud, by legal definition, is present, the authorized course of action for the Housing Department to take is termination of tenancy.

When a tenant is evicted for material non-compliance with the lease for submitting false information, incomplete or inaccurate information on household income or family composition required for certification or recertification, the designated Housing Department staff may file a civil action against the tenant to recover improper subsidy payments, and the Housing Department may pursue prosecution as a criminal violation.

#### D. Correcting Errors

Program violations that do not meet the elements of "fraud" must be treated as errors.

Before any action can be taken, the Housing Department must allow the tenant the opportunity to review the facts pertaining to the case and to respond, consistent with the terms of the grievance procedure.

The tenant has the time period prescribed in the grievance procedure in which to respond to the Housing Department's allegations before any action can be taken.

Staff is not to terminate tenancy until all applicable provisions of the grievance procedure and the prescribed timeframes have been exhausted.

Managers are to correct tenant rent payments, consider execution of repayment agreements with tenants, and if necessary, file a civil action.

Terminations for an error can only be undertaken if the tenant refuses to make the new monthly rent payments or the tenant refuses to repay any overpaid subsidy.

#### **24.4 HOUSING DEPARTMENT NOTICE REQUIREMENTS**

In any case of where the Housing Department decides to terminate the tenancy of the family, the Housing Department must give the family written notice which states:

- A. The reason(s) for the proposed termination, with enough detail to enable the resident to prepare a defense.
- B. The effective date of the proposed termination.
- C. Advise the resident that remaining in the unit on the termination date specified in the notice may result in the Housing Department seeking to enforce the termination in court, at which time the resident may present a defense.
- D. The family's right, if they disagree, to request an Informal Hearing to be held before termination of tenancy.
- E. The date by which a request for an informal hearing must be received by the Housing Department.
- F. The notice will be served to the resident by sending the letter first class to the unit address and delivering a copy of the notice to any adult answering the door to the unit. If no adult answers the door, the notice will be placed under or through the door, or affixed to the door.

Where the Housing Department undertakes termination of tenancy for non-payment of rent, a 14-day Notice of Lease Termination will be issued. Where the Housing Department undertakes termination of tenancy for material non-compliance with the lease, excluding termination for criminal activity or drug-related criminal activity, a 30-day notice of intent to terminate will be issued.

Where the Housing Department undertakes termination of tenancy for criminal activity or drug-related criminal activity, the agency will issue a notice consistent with applicable provisions of State or local law and will move as expeditiously as the law allows.

Where the Housing Department undertakes a termination of tenancy for action which is considered to pose a threat to the health or safety of other residents or employees, the agency will issue a notice of termination with a timeframe that allows for the expeditious termination dependent upon the seriousness of the situation and consistent with applicable provisions of State/local law.

Where the Housing Department has given notice of the intent to terminate tenancy for criminal activity or drug-related criminal activity and the Housing Department prevails in any judicial proceeding conducted for this purpose, the Housing Department will notify the post office with jurisdiction over the subject dwelling unit to discontinue the delivery of mail to the tenant named in the eviction proceedings.

In any instance where the Housing Department is aware that the head of a tenant family is visually impaired the Housing Department will tender all such notices in a visually-acceptable format. This might include the development of the notice in Braille or in large type face of 18 points or greater.

## **24.5 EVICTION BY COURT ACTION**

The Housing Department will proceed with the judicial action necessary to carry out an eviction:

- A. After the termination date provided in the lease termination notice, if the family has failed to submit a request for a grievance hearing, if applicable, within the period of time provided; or
- B. After the conduct of the grievance hearing and the decision of the hearing officer(s) is rendered in favor of the Housing Department; however, if the decision is rendered in favor of the tenant the Housing Department shall not proceed with any judicial action related to the favorable determination.

If the notice of proposed termination was issued for multiple reasons, and the tenant prevails in the hearing on less than all of the charges for the proposed termination, the Housing Department reserves the right to

proceed with eviction action for the charges not grieved or for the charges on which the Housing Department prevailed in the grievance hearing.

In the event the hearing officer(s) rule in favor of the tenant on all charges described in the notice of proposed termination, the Housing Department will not take any subsequent legal action until and unless a second and separate notice based on other grounds of proposed termination has been issued.

## **24.6 FAMILY'S RIGHT TO GIVE NOTICE**

The family has the right to tender notice of their intent to vacate the premises. Such notice shall be in writing and must be delivered at least 30 days prior to the intended dated of vacancy. The family's notice must be delivered to the applicable site office.

Staff who accept a hand-delivered notice shall enter the time and date of receipt on the face of the notice itself and request the tenant to initial same. Staff who are in receipt of a tenant notice which has been delivered by first class mail will staple the envelope to the notice and place the notice in the tenant's file. Management is to be notified within 24 hours of all such notices received.

If there is evidence that the postal service attempted delivery to the Housing Department at an address that was not correct and subsequently noted the mail for re-delivery, the staff shall use the post mark on the envelope as the date the notice was tendered by the resident. Where this appears to be the case and there is a discrepancy between the date the notice was tendered and the delivery date, the family will be notified in writing of the date the notice was delivered.

Should the family vacate without giving the required 30-day written notice, or should the family vacate after giving the 30-day notice but prior to the expiration of the 30-day written notice, the Housing Department may deduct from the tenant's security deposit any portion of the tenant rent which remains unpaid for the specified 30-day period or the date the unit is re-rented, whichever occurs first. In all cases, a family who has vacated will be provided with a detailed list of charges to be deducted from the security deposit.

If the family who will vacate provides sufficient evidence that they cannot tender the required written notice (e.g., language barrier, illiteracy, etc.) the Housing Department will permit the management staff to provide the resident with a standard Housing Department Notice of Intent to Vacate but all such notices must be authenticated with the tenant's signature or

"mark". In these instances, the management staff should try to obtain the signature of a "witness" as well.

## **24.7 RETURN OF SECURITY DEPOSIT**

After a family moves out, the Housing Department will return the security deposit within 14 working days or give the family a written statement of why all or part of the security deposit is being kept. The Housing Department will return the amount of the security deposit less any amount needed to pay the cost of:

- A. Unpaid rent;
- B. Damages not due to normal wear and tear;
- C. Charges for late payment of rent and returned checks;
- D. Charges for unreturned keys.

The rental unit must be restored to the same condition as when the family moved in, except for normal wear and tear. Deposits will not be used to cover normal wear and tear or damage that existed when the family moved in.

The Housing Department will be considered in compliance with the above if the required payment, statement, or both, are deposited in the U.S. mail with first class postage paid within 14 working days.

## **24.8 ABANDONMENT**

The Housing Department will consider a unit to be abandoned when either one of the two conditions below is met:

- A. The absence of the tenant for at least seven days without notice to the Housing Department, and the rent is outstanding and unpaid for ten days, and there is no reasonable evidence other than the tenant's personal property that the tenant is occupying the unit.
- B. The absence of the tenant for at least five days, and the rent is outstanding and unpaid for five days, and none of the tenant's personal property is in the dwelling unit.

When a unit is abandoned, the Housing Department shall send the tenant a notice of abandonment via certified mail, return receipt requested, to the tenant's last known address and any alternate addresses known to the

Housing Department. The Housing Department shall post a notice of abandonment on the door to the unit or any other conspicuous place on the property for five days after which the Housing Department will retake the unit.

After the Housing Department retakes the unit, the Housing Department will remove any abandoned property and store it in a reasonably secure place. A notice will be sent via certified mail, return receipt requested, to the tenant's last known address and any alternate addresses known to the Housing Department, stating where the property is being stored and when it will be disposed of. The Housing Department will hold the tenant's personal property for not less than ten days after the declaration of abandonment.

If the tenant intends to remove the personal property, the tenant must notify the Housing Department in writing on or before the date of the disposition of the property. The tenant has five days after this notification to reclaim the property. To reclaim the property, the tenant must pay the Housing Department the cost of removal and storage of the personal property for the period the property remained in the Housing Department's safekeeping.

After the Housing Department retakes the unit, money held by the Housing Department as a security deposit is forfeited and shall be applied to any accrued rent or other costs incurred as a result of the abandonment.

## **25.0 FAMILY'S RIGHT TO A GRIEVANCE HEARING**

A tenant (defined by HUD as any adult member who has executed the lease) is entitled to both an informal meeting and a grievance hearing when there is an adverse action to be taken by the Housing Department, as defined in the regulations at 24 CFR 966.4.

A resident has a broad right to grieve a Housing Department action or non-action which may adversely affect the individual interest of the tenant (24 CFR 966.53). Whether or not a type of proposed adverse action is explicitly listed in the rule, the tenant has the right to grieve on any such subject, except for a termination of tenancy that has been excluded from the grievance process.

- A. Any and all notices of a proposed adverse action issued by the Housing Department shall inform the family of:
  - 1. The reason for the proposed adverse action with enough specificity to allow them to prepare a defense;
  - 2. The timeframe and procedures for requesting a grievance hearing; if applicable.
  - 3. The date of the proposed adverse action;
  - 4. Tenant's right to make a reply as they may so desire; and
  - 5. Tenant's right to examine any documents of the Housing Department which are directly relevant to the proposed adverse action.
  
- B. If there is a determination by the Housing Department that the family is not entitled to a grievance hearing, as may be the case for a termination of tenancy for criminal activity or drug-related criminal activity, the notice shall indicate:
  - 1. The grievance hearing is not applicable to this termination action;
  - 2. The specific judicial action to be used.

## **25.1 PERSONS EXCLUDED FROM THE GRIEVANCE PROCEDURE**

- A. A minor child shall not have the right to grieve nor the automatic right of leasehold succession. Neither shall a non-resident relative nor a guardian acting on behalf of the minor child(ren) have the right to grieve nor an automatic right of leasehold succession. Rather, the grievance shall be restricted to a remaining family member with legal capacity to assume the tenancy.
- B. A live-in aide is not entitled to a grievance hearing as they are neither a family member nor a party to the lease.
- C. It is the decision of the Housing Department to exclude from the grievance procedure tenants involved in:
  - 1. Criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or employees of the Housing Department;
  - 2. Any violent or drug-related criminal activity on or off such premises;  
or;
  - 3. Any criminal activity that resulted in a felony conviction of a household member.

## **25.2 TENANT'S REQUIREMENT TO ESTABLISH AN ESCROW ACCOUNT FOR DISPUTES INVOLVING NON-PAYMENT OF RENT OR OTHER CHARGES**

This section does not apply to residents of Sunnyslope Manor and Fillmore Gardens.

If the tenant elects to grieve a proposed termination for non-payment of rent the tenant must comply with the following:

- A. At least three (3) working days prior to the hearing the tenant must deposit into an escrow account approved by the Housing Department, an amount equal to the amount of tenant rent due the first of the month preceding the month in which the tenant requested the grievance hearing.

- B. The manager of the escrow account(s) shall be identified to the tenant in the notice that Housing Department sends to the family establishing the date/time and location of the hearing.
- C. The Escrow Account Manager (EAM) shall be required to issue a receipt to the family for all such payments made each time a payment is made. Each receipt shall identify the date and amount of the most recent payment plus the aggregate amount accumulated in the escrow account.
- D. Tenant must provide a copy of any/all such receipts at the initial grievance hearing or any subsequent hearings which are directly or indirectly related to the dispute of payments owed the Housing Department.
- E. Failure of the family to make the required payments will terminate the grievance process; however, this does not preclude a tenant from seeking judicial relief if they continue to dispute the amounts the Housing Department contends are owed under the lease.
- F. The Housing Department reserves the right to waive these escrow requirements, in whole or in part, dependent upon any extenuating circumstances of an individual tenant family. However, any such waivers do not preclude the Housing Department from exercising its right to seek judicial relief for amounts the Housing Department contends are owed under the lease.

### **25.3 PROCEDURES GOVERNING THE GRIEVANCE HEARING**

Each family will be provided with a copy of the Housing Department's HUD approved grievance procedure at the time of lease execution and upon request whenever the family indicates they want a grievance hearing as a result of a proposed adverse action to be taken by the Housing Department.

At the informal stage, families are asked to present their grievances to Housing Department management to provide an opportunity for the grievance to be cured without a hearing if possible. A meeting will be arranged at a mutually agreeable time within 10 working days. The resident will present the grievance and the Housing Department staff person responsible for the area will attempt to settle the grievance. Within five working days, the Housing Department will provide the resident with a written summary of the informal hearing. The summary will include the names of the participants, the date(s) of the meeting, the nature of and the reasons for the proposed disposition and the procedures for obtaining a

formal hearing if the complainant is not satisfied. A copy of the summary will be placed in the resident's file.

If the family is dissatisfied with the proposed disposition of the complaint, the family may make a written request for a formal grievance hearing within five days after receipt of the summary of the informal hearing.

An adult tenant has the right to a fair hearing which includes:

- A. Opportunity to examine any Housing Department documents which are directly relevant to the hearing prior to the hearing. This includes the right to review and copy, at the tenant's expense, Housing Department policy, HUD regulations, and contents of the tenant file upon which the Housing Department will rely in its presentation of the case.
- B. Right of tenant to be represented by legal counsel or other person of his/her choice and to have such representative present oral arguments on his/her behalf.
- C. Right of tenant to a private hearing on the dispute unless the family requests, in writing, to have a public hearing.
- D. Right of tenant to controvert evidence relied on by the management and to confront and cross-examine witnesses upon whose testimony or information the Housing Department management or site staff relies.
- E. Right to a decision based solely upon the facts presented at the hearing.

The Hearing Officer or panel will consider a request for a postponement of the hearing if:

- A. Such request is made in writing, by the tenant, and received at least five(5) working days prior to the scheduled date of the hearing; and
- B. Such request includes a reason that substantiates that moving forward with the scheduled hearing would place an undue hardship on the tenant (e.g., inability to take off from work at the scheduled time without losing pay or jeopardizing employment, inability to be represented by legal counsel of the tenant's choice at the scheduled time, etc.)

When such a request is received the hearing officer or panel will determine if the request is to be approved or disapproved within three days of receiving the request. The tenant will be issued a written notice of

approval or disapproval of the request to postpone. If it is disapproved the family will be expected to participate; failure to do so could result in the hearing officer ruling in favor of the Housing Department as a result of the tenant's default. If the request is approved a new date will be identified in the letter of approval. In no event shall the date of the re-scheduled hearing be more than ten (10) working days from the date of the originally scheduled hearing date, unless there is documentation that the tenant will (a) be hospitalized for a period of time exceeding the 10 day extension period or (b) the tenant will be sequestered on a jury for a period of time exceeding the 10 day extension period or (c) the tenant is involved in military duty which will be of a duration exceeding the 10 day extension period, but still less than 30 days. If the tenant will be unable to participate in the hearing which is rescheduled within the 10 day extension period, for one or more of the three reasons identified above or for a reason of equal weight, the family may be granted an additional extension for an additional ten day period at the discretion of the hearing officer. If the tenant is unable to participate within the period of the second extension period and a waiver is not granted for extenuating circumstances the Housing Department may proceed with the prepared adverse action. This does not exclude the tenant from pursuing any judicial relief available to them.

The determination of the hearing officer(s) will be rendered in writing to the tenant and the Housing Department within five working days of the close of the hearing. The decision is binding on the Housing Department unless HUD, the Phoenix City Council or its designee determines within thirty (30) days of the decision that the hearing officer(s) acted arbitrarily or exceeded their jurisdiction, or that the decision is contrary to any applicable provisions of Federal, State or local law, HUD regulations, or the ACC.

A decision which is rendered in favor of the Housing Department does not affect the tenant's right to pursue any other judicial action available to him/her.

#### **25.4 CONDUCT OF THE HEARING**

The hearing will be conducted by an impartial person or persons appointed by the Housing Department in a manner that is both informal and orderly. If any participant or spectator evidences disorderly conduct and fails to comply with the directions of the hearing officer or the hearing panel to modify the objectionable behavior, the officer/panel may dismiss the person(s) participating in the objectionable behavior and/or dismiss the case and rule in favor of the opposite party.

#### **25.5 DECISION OF THE HEARING OFFICER OR PANEL**

The hearing officer/panel is required to issue a written decision within ten days following the hearing. The written decision should include a summary of the oral and written evidence presented by both the complainant and the Housing Department and must state the reason(s) for the decision, including the policy or regulation that supports the decision made. A copy of the decision will be placed in the resident's file and an additional copy (with names and dates redacted) will be retained by the Housing Department and made available for a prospective complainant, the complainant's representative or hearing officer/panel.

A decision by the hearing officer/panel in favor of the Housing Department's action or failure to act or which denies the relief requested in whole or in part does not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court.

## ***APPENDIX I***

### **GLOSSARY**

**50058 Form:** The HUD form that housing authorities are required to complete for each assisted household in public housing to record information used in the certification and re-certification process and, at the option of the housing authority, for interim reexaminations.

**1937 Housing Act:** The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (24 CFR 5.100)

**Adjusted Annual Income:** The amount of household income, after deductions for specified allowances, on which tenant rent is based. (24 CFR 5.611)

**Adult:** A household member who is 18 years or older who is the head of the household, or spouse, or co-head.

**Allowances:** Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the housing authority.

**Annual Contributions Contract (ACC):** The written contract between HUD and a housing authority under which HUD agrees to provide funding for a program under the 1937 Act, and the housing authority agrees to comply with HUD requirements for the program. (24 CFR 5.403)

**Annual Income:** All amounts, monetary or not, that:

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

Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access. (1937 Housing Act; 24 CFR 5.609)

**Applicant (applicant family):** A person or family that has applied for admission to a program but is not yet a participant in the program. (24 CFR 5.403)

**As-Paid States:** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs. Currently, the four as-paid States are New Hampshire, New York, Oregon, and Vermont.

**Assets:** The value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles are not counted as assets. (Also see "net family assets.")

**Asset Income:** Income received from assets held by family members. If assets total more than \$5,000, income from the assets is "imputed" and the greater of actual asset income and imputed asset income is counted in annual income. (See "imputed asset income" below.)

**Certification:** The examination of a household's income, expenses, and family composition to determine the family's eligibility for program participation and to calculate the family's share of rent.

**Child:** For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age. (24 CFR 5.504(b))

**Child Care Expenses:** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. (24 CFR 5.603(d))

**Citizen:** A citizen or national of the United States. (24 CFR 5.504(b))

**Consent Form:** Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participants to determine eligibility or level of benefits. (24 CFR 5.214)

**Dating Violence:** means violence committed by a person

- A. who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- B. where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - 1. the length of the relationship;
  - 2. the type of relationship; and
  - 3. the frequency of interaction between the persons involved in the relationship.

**Decent, Safe, and Sanitary:** Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

**Department:** The Department of Housing and Urban Development. (24 CFR 5.100)

**Dependent:** A member of the family (except foster children and foster adults), other than the family head or spouse, who is under 18 years of age or is a person with a disability or is a full-time student. (24 CFR 5.603(d))

**Dependent Allowance:** An amount, equal to \$480 multiplied by the number of dependents, that is deducted from the household's annual income in determining adjusted annual income.

**Disability Assistance Expenses:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source. (24 CFR 5.603(d))

**Disability Assistance Expense Allowance:** In determining adjusted annual income, the amount of disability assistance expenses deducted from annual income for families with a disabled household member.

**Disabled Family:** A family whose head, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. (24 CFR 5.403(b)) (Also see "person with disabilities.")

**Disabled Person:** See "person with disabilities."

**Displaced Family:** A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. (24 CFR 5.403(b))

**Displaced Person:** A person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. [1937 Act]

**Domestic Violence:** includes felony or misdemeanor crimes of violence committed by

- A. a current or former spouse of the victim;
- B. a person with whom the victim shares a child in common;
- C. a person who is cohabitating with or has cohabitated with the victim as a spouse;
- D. a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies; or
- E. any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

**Drug-Related Criminal Activity:** Drug trafficking or the illegal use, or possession for personal use, of a controlled substance as defined in Section 102 of the Controlled Substances Act. (21 U.S.C. 802)

**Elderly Family:** A family whose head, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides. (24 CFR 5.403)

**Elderly Family Allowance:** For elderly families, an allowance of \$400 is deducted from the household's annual income in determining adjusted annual income.

**Elderly Person:** A person who is at least 62 years of age. (1937 Housing Act)

**Extremely low-income families:** Those families whose incomes do not exceed 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.). (24 CFR 5.100)

**Family** includes but is not limited to:

- A. A family with or without children;
- B. An elderly family;
- C. A near-elderly family;
- D. A disabled family;
- E. A displaced family;
- F. The remaining member of a tenant family; and
- G. A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family. (24 CFR 5.403)

**Family Members:** All members of the household other than live-in aides, foster children, and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the lease.

**Family Self-Sufficiency Program (FSS Program):** The program established by a housing authority to promote self-sufficiency among participating families, including the coordination of supportive services. (24 CFR 984.103(b))

**Flat Rent:** A rent amount the family may choose to pay in lieu of having their rent determined under the formula method. The flat rent is established by the housing authority set at the lesser of the market value for the unit or the cost to operate the unit. Families selecting the flat rent option have their income evaluated once every three years, rather than annually.

**Full-Time Student:** A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree. (24 CFR 5.603(d))

**Head of Household:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (24 CFR 5.504(b))

**Household Members:** All members of the household including members of the family, live-in aides, foster children, and foster adults. All household members are listed on the lease, and no one other than household members are listed on the lease.

**Housing Assistance Plan:** A housing plan that is submitted by a unit of general local government and approved by HUD as being acceptable under the standards of 24 CFR 570.

**Immediate Family Member:** means a spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood and marriage.

**Imputed Income:** For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used as income from assets in determining annual income.

**Income Based Method:** A means of calculating a family's rent based on either 10% of their monthly income, 30% of their adjusted monthly income, the welfare rent, or the minimum rent. Under the formula method, rents may be capped by a ceiling rent. Under this method, the family's income is evaluated at least annually.

**In-Kind Payments:** Contributions other than cash made to the family or to a family member in exchange for services provided or for the general support of the family (e.g., groceries provided on a weekly basis, baby sitting provided on a regular basis).

**Interim (examination):** A reexamination of family income, expenses, and household composition conducted between the regular annual recertifications when a change in a household's circumstances warrants such a reexamination.

**Live-In Aide:** A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities and who:

- A. Is determined to be essential to the care and well-being of the persons;
- B. Is not obligated for the support of the persons; and
- C. Would not be living in the unit except to provide the necessary supportive services. (24 CFR 5.403(b))

**Low-Income Families:** Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for

smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes. (1937Act)

**Medical Expenses:** Medical expenses (of all family members of an elderly or disabled family), including medical insurance premiums, that are anticipated during the period for which annual income is computed and that are not covered by insurance. (24 CFR 5.603(d)). These expenses include, but are not limited to, prescription and non-prescription drugs, costs for doctors, dentists, therapists, medical facilities, care for a service animals and transportation for medical purposes.

**Mixed Family:** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. (24 CFR 5.504(b))

**Monthly Adjusted Income:** One twelfth of annual adjusted income. (24 CFR 5.603(d))

**Monthly Income:** One twelfth of annual income. (24 CFR 5.603(d))

**National:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession. (24 CFR 5.504(b))

**Near-Elderly Family:** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides. (24 CFR 5.403(b))

**Net Family Assets:**

- A. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- B. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.

- C. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms. (24 CFR 5.603(d))

**Non-Citizen:** A person who is neither a citizen nor national of the United States. (24 CFR 5.504(b))

**Occupancy Standards:** The standards that a housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

**Person with Disabilities:** A person who:

- A. Has a disability as defined in Section 223 of the Social Security Act, which states:

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

In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- B. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:

1. Is expected to be of long-continued and indefinite duration;
2. Substantially impedes his or her ability to live independently; and
3. Is of such a nature that such ability could be improved by more suitable housing conditions, or

C. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act, which states:

"Severe chronic disability that:

1. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
2. Is manifested before the person attains age 22;
3. Is likely to continue indefinitely;
4. Results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
5. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated."

This definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. (1937 Act)

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

**Proration of Assistance:** The reduction in a family's housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance. (24 CFR5.520)

**Public Housing Agency (PHA):** Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of low-income housing under the 1937 Housing Act. (24 CFR 5.100)

**Recertification:** The annual reexamination of a family's income, expenses, and composition to determine the family's rent.

**Remaining Member of a Tenant Family:** A member of the family listed on the lease who continues to live in the public housing dwelling after all other family members have left. (Handbook 7565.1 REV-2, 3-5b.)

**Self-Declaration:** A type of verification statement by the tenant as to the amount and source of income, expenses, or family composition. Self-declaration is acceptable verification only when third-party verification or documentation cannot be obtained.

**Shelter Allowance:** That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

**Single Person:** Someone living alone or intending to live alone who does not qualify as an elderly family, a person with disabilities, a displaced person, or the remaining member of a tenant family. (Public Housing: Handbook 7465.1 REV-2, 3-5)

**Stalking:** means to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and to place under surveillance with the intent to kill, injure, harass or intimidate another person, and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to the following:

- A. that person;
- B. an immediate family member of that person; or
- C. the spouse or intimate partner of that person.

**State Wage Information Collection Agency (SWICA):** The State agency receiving quarterly wage reports from employers in the State or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information. (24 CFR 5.214)

**Temporary Assistance to Needy Families (TANF):** The program that replaced the Assistance to Families with Dependent Children (AFDC) that provides financial assistance to needy families who meet program eligibility criteria. Benefits are limited to a specified time period.

**Tenant:** The person or family renting or occupying an assisted dwelling unit. (24 CFR 5.504(b))

**Tenant Rent:** The amount payable monthly by the family as rent to the housing authority. Where all utilities (except telephone) and other essential housing services are supplied by the housing authority or owner, tenant rent equals total tenant payment. Where some or all utilities (except telephone) and other essential housing services are supplied by the housing authority and the cost

thereof is not included in the amount paid as rent, tenant rent equals total tenant payment less the utility allowance. (24 CFR 5.603(d))

**Third-Party (verification):** Written or oral confirmation of a family's income, expenses, or household composition provided by a source outside the household.

**Total Tenant Payment (TTP):**

A. Total tenant payment for families whose initial lease is effective on or after August 1, 1982:

1. Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act which is the higher of :
  - a. 30% of the family's monthly adjusted income;
  - b. 10% of the family's monthly income; or
  - c. If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under section 3(a)(1) shall be the amount resulting from one application of the percentage.

2. Total tenant payment for families residing in public housing does not include charges for excess utility consumption or other miscellaneous charges.

B. Total tenant payment for families residing in public housing whose initial lease was effective before August 1, 1982: Paragraphs (b) and (c) of 24 CFR 913.107, as it existed immediately before November 18, 1996), will continue to govern the total tenant payment of families, under a public housing program, whose initial lease was effective before August 1, 1982.

**Uniform Physical Condition Standard:** physical inspection procedures that allows HUD to determine conformity with defined standards. HUD proposed the standards and inspection process to achieve three significant objectives:

- A. Consistency in physical condition standards for HUD housing;

- B. Standardization of the inspection to be undertaken to determine compliance with the standards; and
- C. Implementation of an electronically-based inspection system to evaluate, rate, and rank the physical condition of HUD housing objectively.

**Upfront Income Verification:** the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

**Utility Allowance:** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made by a housing authority of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. (24 CFR 5.603)

**Utility Reimbursement:** The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit. (24 CFR 5.603)

**Very Low-Income Families:** Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the areas on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. Such ceilings shall be established in consultation with the Secretary of Agriculture for any rural area, as defined in Section 520 of the Housing Act of 1949, taking into account the subsidy characteristics and types of programs to which such ceilings apply. (1937 Act)

**Welfare Assistance:** Welfare or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. (24 CFR 5.603(d))

**Welfare Rent:** In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

## ***APPENDIX II***

### **ACRONYMS**

ACC	Annual Contributions Contract
CFR	Code of Federal Regulations
EIV	Enterprise Income Verification
FSS	Family Self Sufficiency (program)
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PHA	Public Housing Agency
PIC	Public and Indian Housing Information Center
QHWRA	Quality Housing and Work Responsibility Act of 1998
SSA	Social Security Administration
TTP	Total Tenant Payment
UIV	Upfront Income Verification

## ***APPENDIX III***

### **Flat Rent Schedule for 2008-09**

#### **For Scattered Sites and Senior Housing**

##### **North Phoenix (North of Thomas Road)**

Small studio	\$365
Studio	\$415
One bedroom	\$608
Two bedroom	\$698
Three bedroom	\$1086
Four bedroom	\$1358
Five bedroom	\$1833

##### **Central Phoenix (Between Thomas Road and [Buckeye Road](#))**

Small studio	\$365
Studio	\$415
One bedroom	\$619
Two bedroom	\$859
Three bedroom	\$1206
Four bedroom	\$1556
Five bedroom	\$2007

##### **South Phoenix (South of [Buckeye Road](#))**

One bedroom	\$649
Two bedroom	\$864
Three bedroom	\$1094
Four bedroom	\$1324
Five bedroom	\$1602

#### **[For All Other Conventional Public Housing](#)**

##### **[Foothills Village, Krohn East, Krohn West, Luke Krohn, Marcos de Niza, Sidney P. Osborn:](#)**

Studio	\$372
One bedroom	\$450
Two bedroom	\$566
Three bedroom	\$740
Four bedroom	\$975
Five bedroom	\$1100

##### **[Henson Village](#)**

[For all phases except Phase II, the Adult Living Building, the flat rents will be the market rate rental amount for Henson Village apartments.](#)

Phase II, the Adult Living Building, will use the flat rent schedule for Scattered Sites and Senior for the Central Phoenix area.

**All flat rents will include utilities.**

## **APPENDIX IV**

### **HOPE VI MANAGEMENT PLAN (PHASE I)**

Should there be any discrepancies between the City of Phoenix Admissions and Continued Occupancy Policy (ACOP) and the Matthew Henson – Family Phase 1 Rental Management Plan, the Management Plan will take precedence.

The full Matthew Henson – Family Phase 1 Rental Management Plan can be found at:

<http://neta26b:9112/phxb/ccimages/SendPDF?url=/ccimages/15b/co814/04208001.tif&saveAS=CON112080-MP>

## **APPENDIX V**

### **HOPE VI MANAGEMENT PLAN (PHASE II)**

Should there be any discrepancies between the City of Phoenix Admissions and Continued Occupancy Policy (ACOP) and the Matthew Henson Senior Apartments Management Plan, the Management Plan will take precedence.

The full Matthew Henson Senior Apartments Management Plan can be found at:

<http://neta26b:9112/phxb/ccimages/SendPDF?url=/ccimages/16b/co155/04329005.tif&saveAS=CON113885-MP>

## **APPENDIX VI**

### **HOPE VI MANAGEMENT PLAN (PHASE III)**

Should there be any discrepancies between the City of Phoenix Housing Department Admissions and Continued Occupancy Policy (ACOP) and the Matthew Henson – Family Phase 1 Rental Management Plan, the Management Plan will take precedence.

When this document is posted to the City Clerk's web site, this file will be replaced with a link.

## APPENDIX VII

### SECTION 32 HOMEOWNERSHIP PLAN

#### Phoenix Housing Department

Section 32 Homeownership Plan

Please note: This version of the Section 32 plan is only proposed at this time, but will hopefully be approved by 7/1/08.

#### Amendment 2

The Quality Housing and Work Responsibility Act (QHWRA) permit the City of Phoenix Housing Department, through Section 32 of the US Housing Act of 1937, to make public housing dwelling units available for purchase by low- to moderate-income families as their principal residence. Under Section 32, the Housing Department may sell all or a portion of a public housing development to eligible public or non-public housing residents.

Based on the priority placed on first-time homeownership by U. S. Department of Housing and Urban Development (HUD), and by the current administration, as demonstrated by the President's signing into law the American Dream Downpayment Act of 2003, the City of Phoenix Housing Department is submitting this plan to offer 50 single family homes for homeownership to eligible families. This submittal is in accordance with the provisions of 24 CFR 906.5. The Housing Department plans to provide down payment and closing costs assistance and counseling services.

There have been numerous articles in the media about the need for affordable housing in our community, and both HUD and President Bush have made first-time homeownership a national priority. In furtherance of that goal, the City of Phoenix Housing Department has developed a proposal to continue providing first-time homeownership opportunities to participants in its public housing and section 8 assisted housing programs. The Housing Department is a recognized leader in providing affordable housing and homeownership opportunities to needy families through out the City of Phoenix.

#### *Components of the Homeownership Plan*

##### **Method of Sale**

The Housing Department plans to sell 50 single-family dwellings from existing public housing stock. These homes are located throughout the City of Phoenix, and generally consist of 3- and 4-bedroom units.

- The units will be sold to existing residents of Public Housing and other low-income families receiving assistance through the City of Phoenix Housing Department.
- Residents of occupied houses will be required to sign an option to purchase agreement and will be required to purchase within 5 years of exercising their option to purchase.
- Vacant units will be sold through a contract to purchase or option to purchase.
- The sale price of each unit will be the appraised value of the property.
- To ensure that the units are affordable, the Housing Department will provide a discount through a zero interest forgivable loan of 20% of the sale price.;

- Potential homeowners will be further assisted by providing first time homeownership training and pre- and post purchase counseling at no cost.
- Closing costs will be minimized to the potential homebuyer.
- Potential homebuyers may be assisted with a grant of up to \$6,000 to defray down payment and closing costs. Additional assistance may be available through other sources.
- The potential homebuyer will be assisted by providing a subordinate mortgage as needed, based on the particular purchaser's ability to pay.

### Sale via Purchase and Resale Entity (PRE)

The Housing Department does not intend to utilize a Purchase and Resale Entity for the purpose of selling the 50 units to first-time homebuyers. Instead, we will work directly with the residents, providing them with first-time homebuyer and post purchase counseling and assist them find to identify a reputable lender.

### Property Description

The City proposes using its existing public housing stock for the Homeownership Opportunity Program (HOP). HUD approved the purchase of 500 single-family homes for the Housing Department's Scattered Sites Housing Program. Currently, the Scattered Sites Housing Program has 433 single-family two-, three-, four-, and five-bedroom homes in the program. The program has sold 92 homes to its residents through its Upward Bound and Scattered Sites Home Ownership Program. Because the program was selling homes before all 500 properties were purchased, the criteria emphasized acquiring affordable homes in areas that would be desirable to the residents and not limit the purchases to one specific area. Areas with severe crime, slum and blight conditions were avoided. Ten replacement properties have been purchased using proceeds from the sale of these units.

The Housing Department has identified **fifty (50)** homes for the Homeownership Opportunity Program. See Attachment A.

### Repair or Rehabilitation

All 50 dwelling units have participated in their annual Preventive Maintenance Inspection, which were conducted October 4 through November 26, 2004. Any deficiencies found were subsequently corrected. HUD also completed a REAC Physical Conditions inspection on June 30, 2003. Any deficiencies found were subsequently corrected.

All homes have been tested for lead-based paint and test results indicated no lead based paint present in these homes.

As far as major systems, the dwelling units purchased in Projects 018, 022, 024, 026, 033, 034, 035, and 036 have been updated through the Housing Department's Modernization Section. Roofs, kitchens, bathrooms, and mechanical units were addressed as part of our Modernization Program. Properties in Projects 037 are in the process of being upgraded. Projects 038, 039, 040, 041, 042, 043 and 045 have been included in our Modernization Plan and will be upgraded as we approach that Project.

### Purchaser Eligibility and Selection

Careful participant selection is essential to ensure the success of the Homeownership Opportunity Program and protect the integrity of the program; potential purchasers must be

first-time homebuyers. For the purposes of this plan, first-time homeowners shall be defined as: No assisted family members may have a present ownership interest in a residence of any family member during the last three years. An exception to the three year rule, would be a single parent or displaced homemaker who, while married, owned a home with a spouse or resided in a home owned by a spouse.

The Housing Department will ensure that, pursuant to 24 CFR 906.15(a), the earnings of potential homebuyers may not exceed 80% of Area Median Family Income (AMI) with the exception of current residents of the Scattered Sites Housing Program and other assisted housing programs administered by the Housing Department. The current 2004 HUD Median Income for the Phoenix area is \$58,600 for a family size of four. Therefore, the current maximum income threshold is \$46,900. These numbers will be adjusted in accordance with changes in the AMI. We will take necessary steps to ensure that this remains part of our application and screening process.

The order of preference for potential homebuyers will be as follows:

- As required by 24 CFR 906.13 (a), if a house is occupied, the current resident will be offered the right of first refusal, and will be allowed to exceed the 80% of area median income threshold.
- All other families who are currently participating in the City of Phoenix Housing Department public housing or Housing Choice Voucher (section 8) programs and meet eligibility requirements including 24 CFR 906.15.

All potential homeownership families must be currently working or have a steady verifiable income and paying a tenant rent of at least \$475 per month to be considered financially eligible to participate. Additionally, homeownership candidates must have completed the homeownership classes and pre-purchase counseling and meet the following criteria for purchasing a Scattered Site home from the Housing Department. The criteria will include:

- The family must be a resident for at least one year of an assisted housing program that is administered by the Housing Department
- All rent and utility payments must be timely.
- All household members must pass a criminal background check as defined by the most current version of the Housing Department's Admissions and Continued Occupancy Policy.
- Families must have passed all household inspections within the last year, if applicable.
- Evidence of steady verifiable income or employment for a minimum of two consecutive years.
- To purchase a vacant home, families must be mortgage ready.
- Residents who sign an option to purchase agreement must have a good credit record or credit problems that are correctable within the program time frame
- All potential homeowners must provide the Homeownership Program Coordinator with a copy of certificates of completion for all required classes.

Each candidate will also need a favorable recommendation concerning his or her suitability for homeownership from the Housing Supervisor familiar with the family, Section 8 management, or the landlord.

In accordance with 24 CFR 906.15(c) (3) and the Housing Department's Homeownership Opportunity Program, the family must contribute from their own resources an amount of the down payment of not less than one percent (1%) of the purchase price of the house.

The Housing Department will stipulate in the contract of sale that the dwelling unit being sold must be the principal residence of the assisted family. This requirement is in conjunction with 24 CFR 906.15(b). The family must reside in the home for a minimum of five (5) years after closing.

The Housing Department will continue to distribute Pre-Applications for the Scattered Sites Housing Program to ensure that we have a pool of eligible applicants as vacancies occur. The pre-application is a self-declaration of meeting minimal eligibility criteria. The Housing Department will continue to use the criteria established for its previous homeownership plan (5(h) Implementing Agreement). The criterion used is as follows:

- Annual Income (40% - 80% of median and 75% from an earned source)
- Family composition (one family per household)
- Assets
- Allowable deductions
- Landlord history for the last two years including an AVTA check
- Police / Gang Affiliation check of household members 12 years of age or older
- Credit Background / History Check

If and when our applicant pool is exhausted, we will reach out to the general public. The Housing Department will place public notices in the local papers informing potential applicants of its Homeownership Program, type of units for sale, and program criteria.

## Sale and Financing

The program coordinator will work with each family individually toward the goal of qualifying for a home mortgage. A variety of issues will be addressed with a primary focus on income and credit ratings. Assistance will also be sought from local lending institutions to gain assistance in providing mortgages at favorable rates, conducting pre-mortgage counseling, and reducing loan application fees, closing costs and prepaid expenses. It is proposed that HUD provide FHA insurance for the mortgages.

The program coordinator in conjunction with a HUD-approved homeownership counseling agency will help each family determine when they are ready to buy their home and apply for a loan. Before the sales contract is executed, each family will know the purchase price of their home, the approximate down payment and closing cost assistance available, and what their approximate monthly mortgage payment will be once they purchase their home.

In order to further assist the new homeowners, the Housing Department will provide a zero percent (0%) interest forgivable second mortgage to be used as down payment assistance. If the family remains in the home for ten years, the loan will be forgiven. Otherwise, if the home is resold prior to the completion of the ten year term, the loan will be called immediately.

The assistance will come in the form of a discounted sales price and matching grants when available.

- Discount to Sales Price – The sales price of the home to the program participants will be the appraised value of the property's current market value as determined by an appraisal conducted by a certified appraiser at the time of the sale.. To ensure that the units are affordable, the Housing Department will provide a discount through a zero interest forgivable loan of 20% of the sale price.

- **Scattered Site Rental Proceeds Grant** – The Housing Department will credit each eligible Scattered Site family with up to \$100.00 per month from the tenant’s rent proceeds, up to a maximum of \$6,000. The funds will be held in a single account and the Housing Department will account for the amount accumulated for each family. The funds may only be used for the down payment and/or closing costs when purchasing a Scattered Site home.
- **Other grants and subsidies** – The Housing Department partners with a number of agencies to provide down payment and closing cost assistance to low- to moderate-income families. Potential Scattered Site homeowners will be made aware of these additional resources. Specific eligibility requirements and loan terms apply to these resources.

Other assistance for first-time homebuyers in Phoenix is often available in the form of affordable home mortgage programs financed by tax-exempt bonds. The City of Phoenix and Maricopa County have separately administered several of the programs in the past fifteen years. These FHA insured loans are targeted to first-time homebuyers and typically reduce interest rates by 1.5 to 2 percent. The City would make these loans available to Homeownership Opportunity Program families who are able to meet the criteria and qualify at the time such programs are in effect.

At the rate that the cost of homes in the Phoenix area is appreciating, it is difficult to anticipate the actual sales price of units proposed for homeownership. The Housing Department plans to sell these homes at current market price. An appraisal of each home will be done within six months of the time of sale. Currently, the average (median) sales price of homes in the Phoenix area is as follows:

3 Bedroom / 1 Bath	\$198,000
3 Bedroom / 2 Bath	\$ 259,000
4 Bedroom / 2 Bath	\$ 325,000

The Housing Department will ensure that qualified applicants fall within HUD’s affordability guidelines. Applicants will provide the Housing Department with necessary information necessary to determine that monthly payments for their mortgage, PITI (principal, interest, taxes and insurance), and other regular occurring expenses fall within HUD’s 35% maximum of the applicant’s adjusted income.

Financing of these homes will be through the private market. The Housing Department will partner with a HUD-approved housing counseling agency who will screen potential borrowers and lenders. They will match the potential homeowner with the lender(s) that have the best loan product that will meet the purchaser’s goal of home ownership.

## **G. Recapture and Anti-Speculation Policies**

### ***Subsidy Recapture***

Recapture of Subsidy - In accordance with 24 CFR 906.27 (a) (4), the Housing Department has implemented a stated policy to recapture, upon resale, the discount to the sale price. The Housing Department will recapture a portion or its entire subsidy provided to the purchaser for a period of ten years. This provision must be recorded in the appropriate form of title restriction(s).

The Discount to Sales Price will be considered a zero interest, forgivable loan for the first ten (10) years the family owns the house. During the initial five (5) years, the loan would be repayable in full upon sale or transfer of the house. In the next five (5) years, the loan would

be forgiven at a rate of 20% for each year the family resides in the home. The loan will be considered paid in full at the end of the tenth (10<sup>th</sup>) year. Money paid back to the City through this provision will be returned to a fund for the purchase of replacement housing. (see Table I)

Table I

**Recapture of Subsidy**

<u>Year of Resale</u>	<u>Rate of Forgiveness</u>	<u>Recapture</u>
Within 1 <sup>st</sup> – 5 <sup>th</sup> years	0%	\$10,000
After 6 years	20%	\$8,000
After 7 years	40%	\$6,000
After 8 years	60%	\$4,000
After 9 years	80%	\$2,000
After 10 years	100%	\$0

This table has been prepared as an example. The actual dollar amount will be determined at the time the sale of the property takes place. Subsidy amounts will vary depending on the property's appraised value minus the discount to sales price.

**Anti-speculation Provision**

Recapture of Gains from Appreciation - In accordance with 24 CFR 906.27 (a) (3-4), (c) the Housing Department has adopted a policy that provides for retaining all or a portion of the gain from appreciation generated by the resale of the property to the extent that there are net proceeds if the house is sold within five years after purchase. The Housing Department has elected to forgive the **gains from appreciation** at a rate of 10% per year, with 100% forgiven at the end of the 5<sup>th</sup> year. The Housing Department may not recapture **gains from appreciation** if the home is resold over five years from the initial purchase. Gains from appreciation is defined as financial gain solely attributable to the home's appreciation over time and not attributable to below-market financing or government-provided assistance (recapture of that subsidy is discussed in recapture below). The anti-speculation provision must be recorded as a deed restriction or a restrictive covenant. The recapture amount can be one that the Housing Department considers appropriate under the guidelines in this section. (see Table II)

Table II

**Recapture of Gains from Appreciation**

Fair Market Value (appraised value)	\$100,000
Resale Price	<u>180,000</u>
Gains from Appreciation	\$80,000

<u>Year of Resale</u>	<u>Rate of Forgiveness</u>	<u>Recapture</u>
Within 1 year	0%	\$80,000
End of year 1	10%	\$72,000
End of year 2	20%	\$64,000
End of year 3	30%	\$56,000

End of year 4	40%	\$48,000
End of year 5	100%	\$80,000

This table has been prepared as an example. The actual dollar amount will be determined in the event the home is resold within five years of the participant's date of purchase.

#### **H. Consultation with Residents and Purchasers**

The Housing Department will work closely with the residents through the planning and implementation phases of this program. The Housing Department notified the Scattered Sites Housing Program residents by mail that the guidelines governing the sale of public housing units had changed. In that letter it was explained to them that we would be updating our homeownership program [5(h) Implementing Agreement] to comply with the new Federal Regulations, Section 32. A second letter was sent informing the residents of the significant changes that were to be included in the Scattered Sites Housing Program homeownership component. In the same letter, residents were requested to notify our office if they planned to purchase their home within the next five years. The information was very well received and at least fifty residents indicated that they would like to purchase their home within the next five years. These homes have been included in our Homes For Sale List. (It is understood that this list will have to be updated as we continue to give the opportunity of homeownership to existing renters and future scattered sites families.)

#### **I. Counseling**

In order to comply with this section of the regulations, the Housing Department sought out the services of an organization with years of experience and a successful track record in providing pre- and post-purchasing mortgage counseling services to low income clients. The Housing Department has agreements with HUD-approved housing counseling agencies to provide first-time homeownership counseling and training. Sessions will be held three times a year. One-on-one pre- and post-purchase counseling services, pre-qualifying a family for a mortgage, and matching the families with the lenders who offer the best incentives (i.e. portfolios loans, reduced interest rates, etc.) for low- to moderate-income families will also be provided. Their services also include screening for predatory lenders. (See Attachment A for class curriculum and cost.)

In the past, lenders who have used our residents to meet their CRA requirements have picked up the cost of the one-on-one pre-purchase counseling. The Housing Department anticipates that they will continue to pay for the one-on-one counseling. In the event that this does not occur, the Housing Department will use proceeds from previous sales to cover these fees.

#### **Non-Purchasing Residents**

In accordance with 24 CFR 906.23, if a home that is on the Homes For Sale List is occupied with a non-purchasing resident that is not interested in the opportunity of homeownership, or does not qualify for a mortgage, the Housing Department will do the following:

- Notify the family in writing 90 days in advance;
- Counsel the family of their rights;
- Offer the family the "The Right of First Refusal;"

- If necessary, relocate the family in accordance to 24 CFR, Section 906.23. The Housing Department will provide for the payment of the actual costs and reasonable relocation expenses of the resident to be displaced;
- Relocation costs will be paid from the existing Sales Proceeds Account;
- Relocation will be complete prior to transferring ownership to the buyer.

### **Sales Proceeds**

In accordance with the provisions of 24 CFR 906.31 the proceeds of the sales will be placed in the Housing Department's existing Sales Proceeds Account. This account was established for sales proceeds from the Housing Department's 5(h) Implementing Agreement. Ninety two homes were sold to residents of public housing. Of these 92 homes ten (10) have been replaced.

With HUD's approval, the Housing Department will continue to use Sales Proceeds for the purchase of replacement housing which will promote and/or create affordable housing opportunities.

### **Records, Accounts and Reports**

The Housing Department utilizes a networked computer system in order to keep track of all applications for assistance, families receiving assistance, our public housing stock and to electronically report to HUD. Personal computers with Microsoft Office are also used for record keeping and report writing.

The Housing Department utilizes standard record keeping practices in accordance with HUD guidelines and applicable local standards. In addition, the Housing Department maintains an Accounting Section with consummate HUD public housing experience separate from the program site offices, to conduct extensive, annual audits of all facets of its operations. These practices ensure that we stay current with all applicable HUD rules and regulations, as well as industry "best practices".

We will keep the Phoenix Local Field Office up to date with the progress of this plan by sending a copy of this application as well as any additional information they may request as it pertain to our Section 32 Homeownership Plan. As each unit is sold, the PIC system will also be updated to reflect the progress towards our ultimate plan goal of transitioning 50 units to first-time homebuyers.

### **Budget**

The Housing Department realizes that there are certain administrative costs that can be attributed to the sale of these 50 public housing units to first-time homeowners, but the department has chosen to absorb these costs, rather than pass them on to the new homeowners. For now, the Housing Department plans on absorbing program and management services staff time. Homeownership training classes are being paid through a Homeownership Supportive Services Grant. Other fees, such as, moving costs for displaced families, pre-purchase counseling, appraisals (to determine current value of a property), funding for soft second mortgages, and the cost of advertising or promoting our Section 32 Homeownership Plan will be paid from our existing Proceeds from Previous Sales Account.

The Housing Department will be using existing program and management services staff to cover the administrative costs mentioned above. All other costs will be covered by existing grants and proceeds from previous sales. Therefore, there is no need to secure

commitments for outside funding at this time. The potential first-time homebuyer will work closely with the Housing Department staff and a HUD-approved housing counseling agency to secure individual mortgages. The Housing Department will not be directly involved in securing mortgages for applicants.

Actual costs for each home will vary from participant to participant. Until a home is sold, sources cannot be matched. The same applies for assumptions. Until a home is sold, the sales price, income, subsidy etc. will not be known.

### **Timetable**

The Housing Department wishes to begin the screening process in April 2005. The first participants have already notified the Housing Department of their desire of becoming first-time homebuyers within the next five years. Fifty (50) residents have already expressed an interest in buying their scattered sites home. Should this pool not produce enough qualified buyers, we will go to our other current participants of the Housing Department's assisted housing programs. This will provide us with a steady pool of applicants.

Our current pool of potential first-time homebuyers is made up of residents who were preparing to purchase their public housing unit through our previous homeownership plan, 5(h) Implementing Agreement. Many have already completed the mandatory first-time homebuyer's training classes, and pre-purchasing counseling. Several of these families are ready to go to a lender. We anticipate the first closing could take place as early as July 1, 2006. It is our goal to close on at least 4 homes in 2006.

Screening of interested residents will begin immediately upon approval of this plan. The Housing Department will continue to refer qualified residents to the homeownership classes and pre-purchase counseling.