PROPOSED CHANGES

2024 Public Housing Plan

The Public Housing Authority (PHA) must define any significant changes to its policies or plans. The PHA defines a "substantial deviation" and "significant amendment/modification" as any change in policy which significantly and substantially alters the Authority's mission and the persons the Authority serves. The proposed changes below have not been deemed "significant".

New language is indicated in red. Deleted language is shown as ~~strikeout.~~

Effective January 1, 2024, the Final Rule implementing Sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) takes into effect and the updates in the Housing Choice Voucher Administrative Plan meet these HUD requirements to update the Administrative Plan and Admissions and Continued Occupancy Policy with the regulation changes. Additional information can be found on the HUD website at https://www.hud.gov/program_offices/housing/mfh/hotma#:~:text=Background,to%20income%20calculation%20and%20reviews.

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

1. Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT

Exceptions to Minimum Rent - Page 6-3

Public housing agencies (PHAs) may grant hardships for households unable to pay rent due to unanticipated medical or disability expenses, as well as for households no longer eligible for the childcare expense deduction. 24 CFR 5.611(c)(1)- (c)(2). And 24CFR 5.611(d)

Explanation of Change: Update due to HOTMA regulation change

2. Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT

A. Income and Allowances - Page 6-4

INCOME 24 CFR 5.609(a) is defined as:

~~Income is defined as the types of money that are to be used as income for purposes of calculating the TTP and are defined by local and federal regulations.~~ In accordance with this definition, income from all sources of each member of the household is documented. All amounts, not specifically excluded, received from all sources by each household member who is:

A. 18 years of age or older or
B. The head of household or spouse of the head of household (any age)
In Addition to

A. Unearned income by or on behalf of each minor dependent who is under 18 dependent years of age, and
B. Imputed returns on net family assets exceeding $50,000 (adjusted annually using the CPI-W) when the value of the actual returns from a given asset cannot be calculated. Imputed returns

are based on the current passbook savings rate, as determined by HUD Actual income from assets.

C. Imputed return on assets over $50,000.

Explanation of Change: Update due to HOTMA regulation change

3. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**
ALLOWABLE DEDUCTIONS – Page 6-5

2. Elderly/Disabled allowance: ~~Four~~ Five hundred twenty-five dollars ~~($400)~~ ($525) per household for families whose head, co-head or spouse is sixty-two (62) or over or disabled.

3. Allowable medical expenses: 24 CFR 5.609(b)(6) Un-reimbursed (medical expenses not covered by medical insurance [including Medi-Cal], regional centers [for individuals with developmental disabilities], schools [for special education students], or other sources) medical expenses for all family members that exceed ~~3~~10% of the gross annual income of the family are deducted for elderly and disabled families. Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold.

Residents:	2024 Recertification	2025 Recertification	2026 Recertification
Already receiving a medical expense deduction of 3% of Gross Income	5% Of Gross Income	7.5% Of Gross Income	10% Of Gross Income
Claiming a medical expense deduction at 2024 Recertification	10% of Gross Income	10% of Gross Income	10% of Gross Income

5. Allowable Disability Assistance Expenses: 24 CFR 5.609(b)(6) Un-reimbursed disability expenses that exceed three percent (~~3~~10%) of the gross annual income are deducted for attendant care by a non-family member or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work. These deductions may not exceed the earned income of the family member who is able to work because of such qualified expense. Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold.

Residents:	2024 Recertification	2025 Recertification	2026 Recertification
Already receiving a disability expense deduction of 3% of Gross Income	5% Of Gross Income	7.5% Of Gross Income	10% Of Gross Income
Claiming a disability expense deduction at 2024 Recertification	10% of Gross Income	10% of Gross Income	10% of Gross Income

Explanation of Change: Update due to HOTMA regulation change

4. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS – EARNED INCOME DISALLOWANCE (EID) PAGE 6-6 THROUGH 6-9

Effective January 1, 2024, only families currently participating in EID may continue to receive benefits up to 2 years from this date.

Explanation of Change: Update due to HOTMA regulation change

5. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

C .Income Exclusions Page 6-9 thru 6-11

Annual income does not include the following:

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the resident family, who are unable to live alone). This exclusion also applies to Tribal Kinship or guardianship care payments.
- Amounts paid by a state or local 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;
- Distribution of principle from Irrevocable trusts, including Special Needs Trusts.
- Veterans' aide and attendant care.
- FSS Escrow Deposits.
- Education Savings Accounts Distributions - Coverdell or any qualified tuition program under IRS section 529 and 530

Explanation of Change: Update due to HOTMA regulation change

6. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

I .Regular Contributions and Gifts - Page 6-12

- 24 CFR § 5.609(c)(9). Gifts for holidays, birthdays, or other significant life events or milestones are excluded from income

K .Asset and Asset Income- Page 6-14 to 6-16

Income generated from some assets is used in the calculation of annual income for the purpose of determining the Total Tenant Payment. Net family assets are defined as the net cash value after deduction of reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment. The following are excluded from assets:

- Interests in Indian trust land.
- Equity accounts in HUD homeownership programs; and
- The value of necessary items of personal property such as furniture and automobiles.
- FSS Accounts
- Education Savings Accounts- Coverdell or any qualified tuition program under IRS section 529 and 530
- The value of real property the family does not have legal authority to sell
- Irrevocable Trusts
- Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability.

Where the family has net family assets in excess of ~~five~~ fifty thousand dollars ~~($5,000)~~ (50,000) the PHA will use the greater of:

- Actual income from all net family assets, or
- Imputed asset income, which is the cash value of listed assets multiplied by HUD-determined local passbook interest rate.

Residents with assets less than ~~five~~ fifty thousand dollars ~~($5,000)~~ (50,000) will require third-party verifications from financial institutions of all family assets upon admission to the public housing and then again at least every three (3) years thereafter.

25 CFR 5.618(a)

Families with net assets over $100,000 (after adjusted for inflation) would be ineligible from public housing. These calculations are subject to due process and the families will have an opportunity to request a review.

Families would be ineligible for assistance, if they own real property suitable for occupancy by that family and meet certain conditions (have an ownership interest, legal right to reside in, and authority to sell the property)

Exceptions may apply:

- A family that receives assistance for the property from the Housing Choice Voucher Program
- Property jointly owned with someone else, and occupied by the other owner who is not a member of the household receiving benefits
- A Victim of domestic violence, dating violence, sexual assault, or stalking
- A family that is offering the property for sale

The PHA cannot waive the asset requirement but may allow the family 6 months before serving a termination of assistance notice and may allow the family to come into compliance during that time.

Explanation of Change: Update due to HOTMA regulation change

6. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

CONTRIBUTIONS TO RETIREMENT FUNDS- **Page 6-15**

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

- ~~The assets counted while an individual is employed are the amounts the family can withdraw without retiring or terminating employment~~
- ~~The assets counted after retirement or termination of employment is any amount the employee elects to receive as a lump sum.~~
- Any distribution of periodic payments from these retirement accounts shall be considered income at the time they are received by the family.

Exclusion of Retirement and Educational Savings Accounts: Retirement accounts and educational savings accounts will not be considered a net family asset.

7. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

L . Assets Disposed of for Less than Fair Market Value Page -6-16

The PHA's minimum threshold for counting assets disposed of for less than fair market value is ~~five~~ fifty thousand dollars ~~($5,000)~~($50,000)~~.~~ If the total value of assets disposed of within the two (2) year period is less than ~~five~~ fifty thousand dollars ~~($5,000)~~ ($50,000) they will not be considered an asset.

Explanation of Change: Update due to HOTMA regulation change

8. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

M. Childcare Expenses - PAGE 6-17

CHILDCARE FOR SCHOOL

The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including one (1) hour travel time to and from school.

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the deduction. 24 CFR 5.611(d).

The PHA may grant hardships for households unable to pay rent due to households no longer eligible for the childcare expense deduction. The family must demonstrate that they are unable to pay their rent because of the loss of this deduction and the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The duration of relief will be up to 90 days and the PHA may terminate the hardship exemption if they determine the family no longer needs it.

Explanation of Change: Update due to HOTMA regulation change

9. **Chapter 6: DETERMINATION OF TOTAL TENANT PAYMENT**

O . Health and Medical Expenses- Page 6-18

6. The medical expense deduction is limited to families whose head, spouse/partner, co-head, or sole member is at least sixty-two (62) years of age or is a person with disabilities (elderly or disabled families). Families who are determined to be either elderly or disabled may deduct un-reimbursed medical, attendant care and auxiliary apparatus expenses that exceed three percent ~~(3%)~~ (10%) of their gross annual income in determining their Total Tenant Payment. When a household is eligible for a medical expense deduction, the medical expenses of all family members may be counted. Families who are already receiving a deduction for expenses that exceed 3% of gross annual income will now receive a deduction for expenses over 5% gross annual income. The percentage will increase by 2.5% annually until reaching the 10% threshold.

Residents:	2024 Recertification	2025 Recertification	2026 Recertification
Already receiving a deduction of 3% of Gross Income	5% Of Gross Income	7.5% Of Gross Income	10% Of Gross Income
Claiming a deduction at 2024 Recertification	10% of Gross Income	10% of Gross Income	10% of Gross Income

Explanation of Change: Update due to HOTMA regulation change

10. Chapter 7: VERIFICATION PROCEDURES
C. Items to be Verified - Page 7-4

Current assets including assets of ~~$5,000~~ $50,000 or more disposed of for less than fair market value in the last two (2) years

Explanation of Change: Update due to HOTMA regulation change

11. Chapter 7: VERIFICATION PROCEDURES
SELF-CERTIFICATION/SELF-DECLARATION- PAGE 7-4

Assets of less than ~~$5,000~~ $50,000 are resident self-certified and do not require the collection of any bank statements except when the family is in the application process. Per HUDs Streamlining Rule, every three (3) years all assets regardless of value must be third party verified. 24 CFR §§960.259, 982.516

If self-certification reveals more than ~~$5,000~~ $50,000 in assets, all asset verifications processes must be followed for each income/asset source.

Explanation of Change: Update due to HOTMA regulation change

12. Chapter 7: VERIFICATION PROCEDURES
E. Income from Assets- Page 7-14

The PHA recognizes that it is not always cost effective to incur bank verification fees or use PHA staff time to facilitate third-party verifications for checking and savings accounts. In these cases, checking and savings account balances under ~~$5,000~~ $50,000 will require third-party verifications from financial institutions of all family assets upon admission to the public housing program and at least every three (3) years thereafter.

Verification procedures will be performed on all sources if the self-certification reveals assets greater than ~~five~~ fifty thousand dollars ~~($5,000).~~ ($50,000)
If assets are declared to be over ~~five~~ fifty thousand dollars ~~($5,000)~~ ($50,000), checking and savings accounts, stocks, bonds, crypto currency, real estate, interest income and dividends will be verified in the following order by:

- PHA verification forms completed by the financial institution.
- Verbal confirmation of information from the financial institution,

- Account statements, passbooks, certificates of deposit (CDs),
- Broker's statements showing value of stocks or bonds and the earnings credited to the family. Earnings can be obtained from current newspaper quotations or broker's verifications (oral written), and
- IRS Form 1099 from the financial institution provided that the PHA must adjust the information to project earnings expected for the next twelve (12) months.

Explanation of Change: Update due to HOTMA regulation change

13. Chapter 8: TRANSFER POLICY
~~DIFFERENT-SIZED UNIT~~ OCCUPANCY STANDARD- PAGE 8-1

The PHA may require the resident to transfer to a different-size unit if the resident's family composition changes or other good cause exists for the PHA to make the transfer. The PHA will conduct a pre-move out inspection ~~The PHA will collect a new deposit in the amount in effect at the time~~. ~~However, when a family requests a pre-move out inspection~~ and, based on that inspection, the PHA will determine if a full or partial ~~expects that all or substantially all of the~~ security deposit will be ~~refunded~~ transferred to the ~~family~~ new unit. If all will be transferred a new deposit will not be required. However, if there is a balance the family will be responsible for paying the difference. ~~In that case the PHA will transfer the balance of the existing deposit to the new unit and~~ The family will be responsible for paying the remaining deposit balance (if any) at move-in time. The PHA will place all families requiring a mandatory transfer due to occupancy standards on a transfer list which will be reviewed for need-based transfers prior to offering a unit to a family in the wait pool. In order to assist the residents permanent move, the PHA will pay for reasonable moving expenses.

Explanation of Change: Clarifying the security deposit transfer to new unit.

14. Chapter 8: TRANSFER POLICY
OUT OF AN ACCESSIBLE UNIT- PAGE 8-2

The PHA may require a non-disabled resident to transfer from a disabled-accessible/adaptable unit to a unit that is not disabled-accessible/adaptable, when a family needs the unit with the modifications. ~~The resident's deposit will be transferred to the new unit and the PHA will pay for moving expenses~~ PHA will conduct a pre-move out inspection. Based on that inspection, the PHA will determine if full or partial security deposit will be transferred to the new unit. If all will be transferred, a new deposit will not be required. However, if there is a balance, the family will be responsible for paying the difference. In order to assist the resident's permanent, move the PHA will pay for reasonable moving expenses. The family will be responsible for paying the remaining deposit balance (if any) at move-in time.

Explanation of Change: Clarifying the security deposit transfer to new unit.

15. Chapter 8: TRANSFER POLICY
Appropriate Notice for Involuntary (Mandatory) Transfers- Page 8-3

Once an appropriate unit has become available, an offer letter will be provided to the household

~~Residents who have submitted transfer requests will be provided with a referral letter~~ stating that a unit meeting their needs has become available for transfer. The ~~resident~~ household will have ten (10) business days to accept the offer and ~~place a deposit on the unit,~~ sign the required ~~appropriate paperwork~~ documents prior to the scheduled move in date. ~~and move into the new unit~~. The PHA will consider mitigating circumstances if the resident requires ~~more~~ additional time to complete the transfer. ~~All current public~~

~~housing residents will be required to sign a Transfer Addendum, and new residents will sign a Transfer addendum at move-in.~~

Involuntary transfers for reasons other than health and safety or rehabilitation are subject to the *Grievance Policy & Procedure (see Chapter 13* – Complaints, Grievances & Appeals). Transfers will be delayed until such time as the grievance request has expired or the grievance process has been completed.

Explanation of Change: Clarifying the policy for acceptance of a unit for transfer.

16. Chapter 9: LEASING (24 CFR §966.4) Page 9-27

AB. Weapons Storage

The PHA may impose reasonable restrictions related to the possession, use and storage of a Firearm within common areas and interior of the unit. California gun laws require owners to make sure that a gun is stored unloaded, and in a place not accessible by children and adults that are prohibited from possessing a gun.

The PHA is not liable in a civil action for personal injury, death, property damage or other damages resulting from or arising out of an occurrence involving a Firearm that the PHA is required to allow on the property under this section.

Violation of this policy may result in termination of tenancy

Firearms and Weapons

Residents have the right to keep and bear arms, but also the responsibility to protect the health, welfare, and safety of themselves and other residents residing in public housing.

The resident, members of the resident's household, and the resident's/member's guests/visitors shall:

A. Comply with all federal, state, and local requirements regarding the lawful ownership, possession, transportation, and use of Firearms;
B. Not discharge or use any Firearm on PHA property or within the residence, except when the Firearm is discharged in self-defense;
C. Not to threaten any person on or off PHA property with a Firearm;
D. Comply with the law and exercise reasonable care in the storage of a Firearm; and
E. Exercise reasonable care in the storage of all Firearms.

Weapons

Weapons include Firearm parts kits that are designed to or may readily be completed, assembled, restored, or otherwise converted to expel a projectile by the action of an explosive (e.g., pistol, revolver, rifle, or shotgun).

An instrument that is specifically designed, made, and/or adapted for the purpose of inflicting physical damage, serious bodily injury, or death by striking a person with the instrument

A weapon can include but is not limited to the following:

A. Club/Blackjack/Sand Club
B. Nightstick
C. Mace
D. Tomahawk
E. Sling shot
F. Metal knuckles
G. Knife / Dagger /Dirk
H. Cross Bow

Grounds for Lease Termination & Eviction

- Unlawful ownership, possession, transportation, or use of a Firearm/weapon.
- Shooting, firing, exploding, throwing, or discharging a Firearm/weapon.
- Damaging any property through the unlawful, reckless, careless, or negligent use of a Firearm or weapon.
- Brandishing/displaying of a Firearm or weapon in connection with a verbal or non-verbal threat of bodily harm on or off PHA-property without the legal justification that the Firearm or weapon was necessary for self-defense.
- The infliction of any injury upon another person through the intentional, reckless, careless, or negligent use of a Firearm or weapon without the legal justification that the Firearm or weapon was necessary for self-defense.

All Firearms or weapon

s in the lawful possession of a resident, members of the resident's household, and/or resident guest/visitor must be in accordance with federal, state, and local laws.

The unlawful possession, use or storage of Firearms or weapons by a resident, members of the resident's household and/or resident guest/visitor is prohibited and constitutes a material lease violation.

Added to Glossary- **Page Glossary – 19**

WEAPONS: Weapons include Firearm parts kits that are designed to or may readily be completed, assembled, restored, or otherwise converted to expel a projectile by the action of an explosive (e.g., pistol, revolver, rifle, or shotgun). An instrument that is specifically designed, made, and/or adapted for the purpose of inflicting physical damage, serious bodily injury, or death by striking a person with the instrument. A weapon can include but is not limited to the following: Club/Blackjack/Sand Club, Nightstick, Mace. Tomahawk, Sling shot, Metal knuckles, Knife / Dagger /Dirk and Cross Bow

Explanation of Change: Adding a policy for weapons

16. Chapter 11: RECERTIFICATIONS (24 CFR §960.257)
Increases in Income to be Reported - Page 11-10

Families are required to report all increases in income or assets that occur between regularly scheduled annual recertifications (see Section C. Reporting Interim Changes.) Increases in income, less than ~~two hundred dollars ($200)~~ 10% of the families adjusted annual income ~~per month~~, between annual recertifications will be noted in the file, however, a rent adjustment will not be calculated until the next annual recertification or the addition of a household member.

17. Chapter 11: RECERTIFICATIONS (24 CFR §960.257)
Decreases in Income and Rent Adjustments - Page 11-10

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions. These changes would reduce the amount of the total resident payment. The PHA will process the rent adjustment unless the PHA confirms that the decrease in income will last less than thirty (30) days and/or will be less than ~~fifty dollars~~ 10% of the families adjusted annual income .~~per month.~~

Explanation of Change: Update due to HOTMA regulation change

18. Chapter 11: RECERTIFICATIONS (24 CFR §960.257)
PROCEDURES WHEN THE CHANGE IS REPORTED IN A TIMELY MANNER - **Page 11-12**

The PHA will notify the family of any changes in resident rent to be effective according to the following guidelines:

- Increases in the resident rent are effective;
- At annual recertification;
- Beginning the first of the month at least thirty (30) days from the completion of recertification;
- If the income increase is greater than threshold amount of ~~two hundred~~ ~~$200;~~ 10% of the families adjusted annual income
- When there is a change in the household composition;
- Decreases in the resident rent are effective the first (1^{st}) of the month following the month in which the change is reported.

Explanation of Change: Update due to HOTMA regulation change

19. Chapter 12: LEASE TERMINATIONS (24 CFR §966.4)**- Page 12-5**
F. Terminations due to Over-Income [24 CFR 960.261; FR Notice 07/26/2018]

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 placed an income limitation on public housing tenancies. The over-income requirement states that after a family's income has exceeded the most recent HUD-established Very Low Income (VLI) limit for the Sacramento HUD Metro Fair Market Rent Area multiplied by a factor of 2.4 (AMI) (or a different limitation established by the secretary) for two (2) consecutive years. Within six (6) months of the second year's income determination, a PHA must provide the family with the option to either have their tenancy terminate, or have their monthly rent increase to a value that is the higher of:

- The applicable fair market rent (FMR), as established by HUD or
- The total monthly subsidy for the unit, which includes operating subsidy and capital funds, as determined by regulations.

PHAs also have discretion, under 24 CFR 960.261, to adopt policies allowing termination of tenancy for families whose income exceeds the limit for program eligibility. Such policies would exempt families participating in the Family Self Sufficiency (FSS) program ~~or currently receiving the earned income disallowance~~.

At annual or interim reexamination, if a family's income exceeds the applicable over-income limit, the PHA will document the family file and begin tracking the family's over-income status.

If one year after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, the PHA will notify the family in writing that their income has exceeded the over-income limit. Additionally, if the family continues to be over-income for the next 12 consecutive months, the family will be subject to the PHA's over-income policies.

If two years after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, and the family has not elected to be terminated from the ~~Housing program~~ unit, the PHA will charge the family a rent that is the higher of the applicable fair market rent (FMR) or the amount of total monthly subsidy for the unit. The household will no longer be a public housing participant.

The PHA will notify the family in writing of their new rent amount. The new rent amount will be effective thirty (30) days after the PHA's written notice to the family~~. If, at any time, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with PHAs policy. If, as a result, the previously over-~~

~~income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification.~~ The OI family will be required to execute a new NPHOI (Non Public Housing Over Income) lease within 60 days of notification.

If, at any time during the 24 month grace period, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with PHAs policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification

The PHA will notify the family in writing that over-income policies no longer apply. If the family's income later exceeds the over-income limit again, the family is entitled to a new two-year grace period. PHA will begin tracking over-income families once these policies have been adopted. The PHA may terminate tenancy for families whose income exceeds the limit for the program eligibility as described at 24 CFR 960.261.

Explanation of Change: Update due to HOTMA regulation change

HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

Effective January 1, 2024, the Final Rule implementing Sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) takes into effect and the updates in the Housing Choice Voucher Administrative Plan meet these HUD requirements to update the Administrative Plan with the regulation changes. Additional information can be found on the HUD website at https://www.hud.gov/program_offices/housing/mfh/hotma#:~:text=Background,to%20income%20calculation%20and%20reviews.

1. Chapter # 5 **Adding Additional Members to the Household for Participant Families**
   - ~~Court awarded custody~~, guardianship or conservatorship, verified by notarized statement or self-certification

   Explanation of Change: change allows additional options for families

2. Chapter # 5 **Adding Additional Members to the Household for Participant Families**
   - Adult children under ~~24~~ 26 years of age who left only to attend school. Request must be received within 1 year of dis-enrollment or graduation or verification of online/distance learning.

   Explanation of Change: change benefits families by allowing more time for students to return who may need additional time to complete school

3. Chapter #6 **B. Income and Allowances**
   ~~Income includes all monetary amounts the family receives, along with any monies paid to them or on their behalf.~~ Income includes all amounts received from all sources by each adult family member 18 years or older or the head of household or their spouse, plus unearned income by or on behalf of each dependent under 18 years, plus income from assets.

   Explanation of Change: Update due to HOTMA regulation change

4. Chapter #6 **Earned Income Disregard (EID)**
Effective January 1, 2024, only families currently participating in EID may continue to receive benefits up to 2 years from this date.

Explanation of Change: Update due to HOTMA regulation change

5. Chapter #6 **Child Care Expenses**
Non-reimbursable childcare expenses for children under thirteen (13) years of age shall be deducted from annual income if they enable a family member ~~to actively seek employment,~~ to be employed, or to further his or her education to comply with federal law.

Explanation of Change: Update due to HOTMA regulation change

6. Chapter # 6 **Exemption to Continue the Child Care Expense Deduction**
A family whose eligibility for the childcare expenses deduction is ending may request a financial hardship exemption to continue the deduction.
   - Up to 90 days.
   - The exemption may be extended, at the PHA's discretion, for additional 90-day periods based on family circumstances.
   - The PHA may terminate the hardship exemption if they determine that the family no longer needs it.

Explanation of Change: Update due to HOTMA regulation change

7. Chapter: 6 **Special Calculation for Households Eligible for Disability Assistance and Medical Expenses**

If an elderly family or disabled family has both medical expenses and disability assistance expenses, a special calculation is required to ensure the family's ~~3%~~ 10% share of these expenses is applied only one time.
When the family has disability assistance expenses greater than or equal to ~~3%~~ 10% of annual income, an allowance for disability assistance expenses is computed as described above.
When a family has disability assistance expenses that are less than ~~3%~~ 10% of annual income, the family will receive no allowance for disability assistance expense.
When the household is also eligible for a medical expense allowance, the ~~3%~~ 10% may have been exhausted in the disability assistance allowance, and the first calculation will not be applied to medical expenses.

Explanation of Change: Update due to HOTMA regulation change

8. Chapter 6 **Hardship Exemptions to the Health and Medical Expenses Deduction**
The family must have been receiving a deduction from annual income of qualified health and medical expenses exceeding 3 percent of annual income. Two categories of hardship exemption to the 10% threshold for unreimbursed medical expenses.

Category 1: Phased In relief for families already receiving a health and medical deduction.

Form and duration of the exemption: Families experiencing a hardship will have a phase in to the new deduction amount over two years:

- 1st year: PHA deducts eligible expenses exceeding 5% of the family's income.
- 2nd year: PHA deducts eligible expenses exceeding 7.5% of the family's income.

After 24 months this hardship exemption expires. The PHA will deduct expenses exceeding 10% of the family's annual income unless the family requests and qualifies for a new exemption under category 2.

Category 2: General Financial Hardships

Families who can demonstrate a financial hardship due to an increase in their qualified expenses or because of a change that would not otherwise trigger an interim reexamination.

Eligibility: A family must demonstrate that their applicable expenses increased, or the hardship is a result of a change in circumstances, as defined by the PHA, that would not otherwise trigger an interim reexamination.

This relief is available regardless of whether the family previously received health and medical deductions or is currently receiving, or previously received, a hardship exemption under the first category.

Form and duration:

- The family may receive a deduction of all eligible expenses exceeding 5% of their annual income.
- The exemption ends when the circumstances that made the family eligible for the exemption no longer apply or after 90 days, whichever comes earlier.
- The PHA may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship continues.

Category 2 may also include families that qualified under Category 1 but:

- Exhausted that relief (after 24 months), or
- Chose to apply for relief under this category in the 2nd year of receiving a Category 1 deduction. The family would then receive a deduction for their qualifying expenses over 5% of their income instead of those exceeding 7.5% of their income.
- The family will no longer be eligible for a hardship exemption under the first category, even if they had not finished the 24-month period.

Explanation of Change: Update due to HOTMA regulation change

9. Chapter 6, Income and Allowances
Elderly/Persons with Disabilities Allowance: ~~$400~~ $525 per family for families whose head or spouse/partner is 62 or over or a person with disabilities.

Explanation of Change: Update due to HOTMA regulation change

10. Chapter 7, Section E Verification of Income

Self-Employment Income

Gross income received through self-employment or operation of a business; with the exception of the following which shall be considered income:

- Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regulations; and

- Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

Explanation of Change: Update due to HOTMA regulation change

11. Chapter #7, Section F Income Exclusions

The following are income exclusions in addition to exclusions in 24 CFR 5.609 (b) and (c)

- Amounts received from Medicaid or other state/local programs meant to keep a family member with a disability living at home
- Veterans' aide and attendant care
- Distributions of principal from non-revocable trusts, including Special Needs Trusts.
- Temporary income paid as a Guaranteed Income Benefit Program payment through local city, state, or federal funds or approved funding sources.
- U.S. Census Bureau for employment income (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not resulting in permanent employment.
- Direct federal or state payments for economic stimulus or recovery.
- State or federal refundable tax credits or state or federal tax refunds received directly at the time they are received directly by the family.
- Gifts for significant life events or milestones (e.g., holidays, birthdays, wedding gifts, baby showers, anniversaries).
- Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.
- Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

Explanation of Change: Update due to HOTMA regulation change

12. Chapter 7 Income and Allowances

The PHA may opt to conduct a streamlined verification process for families that have net assets totaling ~~$5,000~~ $50,000 or less ~~according to PIH 2016-05.~~

Explanation of Change: Update due to HOTMA regulation change

13. Chapter 7 H. Asset Exclusion

Retirement accounts and educational savings accounts will not be considered a net family asset.

CashApp/Venmo are not considered financial institutions but rather instruments for the movement of funds.

Explanation of Change: Update due to HOTMA regulation change

14. Chapter 7 J. Asset Income Exclusion

Baby Bonds

Income earned by government contributions to, or distributions from, 'baby bond' accounts created, authorized, or funded by federal, state, or local government.

Trust Distributions

Irrevocable trust or revocable trust outside of family or household control, excluded from the definition of net family assets under § 5.603(b),

- Distributions of the principal, or corpus, of the trust, and
- Distributions of income from the trust used to pay the costs of health and medical care expenses for a minor.

Revocable trust or a trust under the control of the family or household: any distributions from the trust are excluded from income.

Except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

Explanation of Change: Update due to HOTMA regulation change

15. Chapter # 12 Recertifications
Program participants must report all decreases of income in writing within 30 days. The PHA must process the change if a decrease in income of at least ~~$50 per month~~ 10% decrease of adjusted income is reported.

Explanation of Change: Update due to HOTMA regulation change

16. Chapter # 12 Recertifications
Standard for Timely Reporting of Changes

The PHA requires that the family report in writing any decrease of income to the PHA within thirty (30) days of when the change occurs.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Procedures When the Change is Reported in a Timely Manner

The PHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

- Decreases in the Tenant Rent are effective the first of the month, following the month in which the PHA is provided adequate written documentation. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

Procedures When the Change is Not Reported by the Family in a Timely Manner

If the family does not report the change as described under Timely Reporting, or fails to provide requested verification within the given timeframe, the family will be considered to have caused a delay in the interim certification processing and the following guidelines will apply:

- Decreases in Tenant Rent will be effective on the first of the month following completion of processing by the PHA and not retroactively.

Explanation of Change: Update due to HOTMA regulation change

17. Chapter 15 Termination Asset Limit for Eligibility and Continued Assistance

Eligibility and continued assistance asset limit to participate in program assistance is $100,000. Families are also ineligible for assistance if they own real property suitable for occupancy.

Explanation of Change: Update due to HOTMA regulation change

18. Chapter 18 Notification of Informal Hearing
When the PHA receives a request for an informal hearing, a hearing will normally be scheduled within ~~60~~ 90 days from the date the request is received. The hearing notice will provide at least 15-day notice…

Explanation of Change: To align with PHA Policy

19. Chapter 21 Project Based Voucher Program

~~The US Department of Housing and Urban Development (HUD) published a final rule for Project Based Vouchers on October 13, 2005. This governs how the PHA manages project-based vouchers from November 14, 2005 forward, along with subsequent amendments to the regulations and subsequent statutory changes including changes contained in the Housing and Economic Recovery Act of 2008~~.

Explanation of Change: Removing out of date information

20. Chapter 21 Project-Based Voucher Program

Initial HQS Inspections
If the effective date of a Project Based initial inspection is more than 90 days from the effective date of the lease and tenancy addendum, another inspection is not necessary as long as the property certifies in writing that:

- The unit has not been occupied since the date the unit passed the HQS inspection; and
- The unit remains in the same rent-ready condition as when it passed HQS inspection.

Explanation of Change: Allowing additional time for occupancy and PHA cost saving

21. Chapter # 26 Medical Expense Deduction
When calculating a participant's adjusted income, HCV must deduct from annual income the "unreimbursed medical expenses of any elderly or disabled family" that exceed ~~three percent (3%)~~ ten percent (10%) of annual income.

Explanation of Change: Update due to HOTMA regulation change

22. Chapter: Glossary
EXCESS MEDICAL EXPENSES: Any medical expenses incurred by elderly or disabled families only in excess of ~~3%~~ 10% of Annual Income, which are not reimbursable from any other source.

IMPUTED INCOME: HUD passbook rate multiplied by total cash value of assets. Calculation used when assets exceed ~~$5,000~~ $50,000.

Explanation of Change: Update due to HOTMA regulation changes

23. Addendum #1 – The Family Self Sufficiency Program (Page 20)

Foster Youth to Independence (FYI) participants are entitled to receive FYI assistance for an additional 24-months beyond the 36-month time limit if registered in FSS.

Explanation of Change: Update due to HOTMA regulation change