



ADMISSIONS AND CONTINUED OCCUPANCY POLICY

San Francisco Housing Authority

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Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

This chapter contains information about the Housing Authority of the City and County of San Francisco (SFHsfA) and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the Admission and Continued Occupancy Policy (ACOP) and guide.

Part I: The San Francisco Housing Authority (SFHA). This part includes a description of the SFHA, its jurisdiction, its programs, and its mission and intent.

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

Part III: The Admissions and Continued Occupancy Policy (ACOP). This part discusses the purpose and organization of the ACOP and its revision schedule. The instructions also contain guidance for each chapter and how to use the document within the agency.

PART I: THE SFHA

1-I.A. OVERVIEW

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

1-I.B. ORGANIZATION AND STRUCTURE OF THE SFHA

Public housing is funded by the federal government and administered by the San Francisco Housing Authority (SFHA) for the jurisdiction of the City and County of San Francisco, California.

By the Housing Authority of the City and County of San Francisco's Board of Commissioners, hereinafter referred to as the "Board".

Commissioners of the SFHA are appointed by the Office of the Mayor of the City and County of San Francisco. The Board establishes policies under which the SFHA conducts business, and ensures that those policies are followed by SFHA staff. The Board is responsible for preserving and expanding the SFHA's resources and assuring the SFHA's continued viability and success.

Formal actions of the SFHA are taken through written resolutions, adopted by the Board and entered into the official records of the SFHA.

SFHA is the Executive Director (ED), who is selected and hired by the board. The ED oversees the day to day operations of the SFHA and is directly responsible for carrying out the policies established by the Board. The ED's duties include hiring, training, and supervising the SFHA's staff, as well as budgeting and financial planning for the SFHA. Additionally, the ED is charged with ensuring compliance with federal and state laws, and program mandates.

1-I.C. SFHA MISSION

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

SFHA Policy

The mission of the SFHA is to deliver safe and decent housing for low income households and integrate economic opportunities for residents.

1-I.D. THE SFHA'S COMMITMENT TO ETHICS AND SERVICE

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

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

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

PART II: THE PUBLIC HOUSING PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

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

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

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

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

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

1-II.B. PUBLIC HOUSING PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the SFHA to administer programs in accordance with HUD regulations and provides an operating subsidy to the SFHA. The SFHA must create written policies that are consistent with HUD regulations. Among these policies is the SFHA's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the Board.

The job of the SFHA pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The SFHA screens applicants for public housing and, if they are determined to be eligible for the program the SFHA makes an offer of a housing unit. If the applicant accepts the offer, the SFHA and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program.

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

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

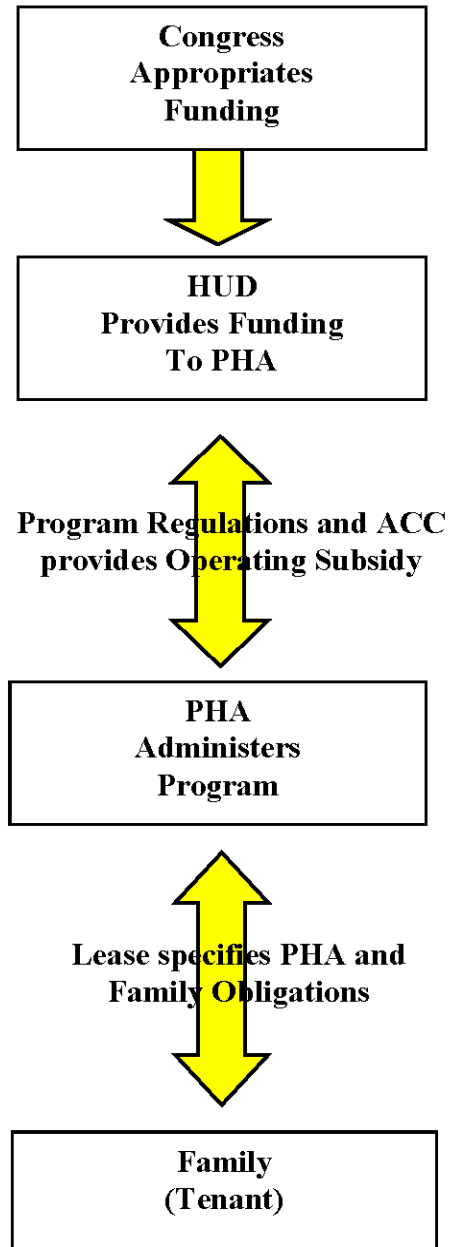
1-II.C. PUBLIC HOUSING PARTNERSHIPS

To administer the public housing program, the SFHA must enter into an Annual Contributions Contract (ACC) with HUD. The SFHA also enters into a contractual relationship with the tenant through the public housing lease. These contracts define and describe the roles and responsibilities of each party.

In addition to the ACC, the SFHA and family must also comply with federal regulations and other HUD publications and directives. For the program to work and be successful, all parties involved – HUD, the SFHA, and the tenant – play an important role.

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

The Public Housing Relationships



What does HUD do?

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

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

What does the SFHA do?

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

- Ensure compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensure that the program is accessible to persons with disabilities
- Establish local policies and procedures for operating the program
- Accept applications from interested applicant families and determine whether they are income eligible for the program
- Maintain waiting list and select families for admission
- Screen applicant families for suitability as renters
- Maintain housing units by making any necessary repairs in a timely manner
- Make unit offers to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- Make sure the SFHA has adequate financial resources to maintain its housing stock
- Perform regular reexaminations of family income and composition in accordance with HUD requirements
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service

- Comply with HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the SFHA's ACOP, and other applicable federal, state and local laws.

What does the tenant do?

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

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

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

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: SFHA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

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

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

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

1-III.B. CONTENTS OF THE POLICY

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

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

New Approach to Policy Development

HUD has developed an approach to monitoring SFHAs that emphasizes the importance of consistency in operation and decision-making. The ACOP supports that goal by clearly setting forth the SFHA's operating policies.

A primary focus of HUD's Rental Integrity Monitoring (RIM) program has been consistency in how SFHAs conduct their business and in how HUD monitors SFHA activities. Referring to and following the ACOP is essential to maintaining consistency in applying SFHA policy.

HUD makes a distinction between mandatory policies and non-mandatory policies:

- Mandatory policies: those driven by legislation, regulations, current handbooks, current PIH notices, and legal opinions from the Office of General Counsel
- Optional, non-binding guidance, include guidebooks, FAQs, PIH notices that have expired and recommendations from individual HUD staff.

HUD expects SFHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the SFHA has adopted. The ACOP is comprised of mandatory policies and optional SFHA policy. HUD's new direction emphasizes to the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

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

When HUD permits or requires the SFHA to establish policies not clearly defined by legislation, regulations, handbooks, notices and/or legal opinions these policies are identified in this ACOP by the heading "SFHA Policy".

1-III.C. UPDATING AND REVISING THE POLICY

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

SFHA Policy

The SFHA will review and update the ACOP as needed to reflect changes in regulations, SFHA operations, or when needed to ensure staff consistency in operation.

1-III.D. HOPE VI Applicability

The HOPE VI Program was developed as a result of recommendations by National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing.

San Francisco was selected as a HOPE VI Program recipient and rebuilt the following public housing developments:

- Bernal Heights
- Hayes Valley North and South
- North Beach
- Plaza East
- Valencia Garden

Units that remained Public Housing/ACC units must adhere to this Admissions and Continued Occupancy Policy in accordance with their agreement and obligation to the HOPE VI program. If an occurrence arises where noncompliance to this ACOP occurs, the duty is on the owner/property manager to provide the reason for non-compliance, i.e. exemption. Where there is a conflict in policy between an agreement and this policy, the more restrictive policy prevails.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

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

This chapter describes HUD regulations and SFHA policies related to these topics in three parts:

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

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

Part III: Prohibition of Discrimination against Limited English Proficiency Persons. This part details the obligations of the SFHA to ensure meaningful access to the public housing program and its activities by persons with Limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require the SFHA to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The SFHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2013 (VAWA)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted. When more than one civil rights law applies to a situation, the laws will be read and applied together

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as SFHA policies, can prohibit discrimination against additional classes of people.

The SFHA shall not discriminate because of ancestry, source of income, race, color, sex, religion, national or ethnic origin, familial status or disability to be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the SFHA housing programs (called “protected classes”). Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18. The SFHA will not discriminate on the basis of an individual’s status as a victim of domestic violence, dating violence, sexual assault or stalking.

The SFHA will not discriminate on the basis of marital status, gender identity, or sexual orientation. [FR Notice 02/03/12].

SFHA Policy

The SFHA will not use any of these factors to:

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

Providing Information to Families

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

Discrimination Complaints

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

SFHA Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination must notify the SFHA either orally or in writing. The SFHA will post the Department of Housing and Urban Development's Discrimination Complaint Website link in all of the SFHA public buildings. The link to the HUD discrimination complaint website will also be included in all SFHA briefing packets.

The SFHA will attempt to remedy discrimination complaints made against the SFHA.

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

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

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

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

SFHA Policy

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

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

A specific contact will be provided for requests for accommodation for persons with disabilities.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

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

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

Types of Reasonable Accommodations

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

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

2-II.C. REQUEST FOR AN ACCOMMODATION

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

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

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

SFHA Policy

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

2-II.D. VERIFICATION OF DISABILITY

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

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

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

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

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

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

SFHA Policy

Disability is defined as any physical or mental impairment that limits one or more of their major life activities.

The Authority must obtain verification of a Request for Reasonable Accommodation from a knowledgeable professional identified by the family. If verification cannot be

obtained by the knowledgeable professional within thirty (30) calendar days, the family must follow-up with the knowledgeable professional. Third party verification may be sent via US Postal Service, fax, email, and when all other means fail by a telephone call initiated by the Authority.

For continued consideration, the family may be required to submit a new Reasonable Accommodation Request if the information is not in the tenant file or as otherwise needed to document compliance with HUD verification requirements and will be evaluated in accordance with the policies and regulations in effect at the time of request.

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION

[Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

The SFHA must approve a request for an accommodation if the following three conditions are met:

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

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

Before making a determination whether to approve the request, the SFHA may participate in the interactive process with the family.

SFHA Policy

After a request for an accommodation is presented, the SFHA will respond, in writing, within a reasonable time. A reasonable time for an SFHA response is generally 30 calendar days from the family's request.

If the SFHA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the SFHA will engage the family in the interactive process.

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

If the SFHA believes that there is no reasonable alternative to the reasonable accommodation request, the SFHA will notify the family, in writing, of its determination. The notice will inform the family of the right to appeal the SFHA's decision through the hearing process (see Chapter 14).

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

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

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

SFHA Policy

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

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

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

2-II.G. PHYSICAL ACCESSIBILITY

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

- Notice PIH 2006-13
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the SFHA's responsibilities with regard to physical accessibility
- Notice PIH 2006-13 summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs
- The SFHA Plan provides information about self-evaluation, needs assessment, and transition plans

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

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

An SFHA decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

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

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with Chapter 14 of this ACOP and "Lease Terminations", Chapter 13 of this ACOP.[24 CFR 966.4(l)(3)(ii)].

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

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

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

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

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

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

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

The SFHA's LEP Plan is included as Appendix A of this ACOP.

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

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

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

The phrase “physical or mental impairment” includes:

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

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

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

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

The definition of a person with disabilities does not include:

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

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

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

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

Chapter 3

ELIGIBILITY

INTRODUCTION

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

To be eligible for the public housing program:

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

This chapter contains three parts:

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

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

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

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

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

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.403 and HUD-50058 IB, p. 13, FRR Notice 02/03/12]

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

Family

To be eligible for admission, an applicant must qualify as a family. *Family* as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The SFHA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality

SFHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. This definition includes but is not limited to:

- a) A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- b) An elderly family;
- c) A near-elderly family;
- d) A disabled family;
- e) A displaced family;

- f) The remaining member of a tenant family; and
- g) A single person who is not elderly or displaced person with disabilities, or the remaining member of a tenant family.

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

Verification shall be established by utility bills that include the family name and address; bank statements that include the family name and address; and/or third party correspondence to family address.

Household

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

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

Family Break-up

SFHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may submit a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an applicant or resident family, the SFHA will abide by the court's determination. This includes cooperating with law enforcement authorities to enforce civil protection orders issued for the protection of victims and addressing the distribution of personal property among household members in cases where a family breaks up.

In the absence of a judicial decision, or an agreement among the original family members, the SFHA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals. If the family break –up results from an occurrence of domestic violence, dating violence, sexual assault or stalking as provided in 24 CFR part 5, subpart L, the SFHA must ensure that the victim retain assistance.

In all instances, the household must notify the property office, in writing, within 10 calendar days of the action causing the household split and request a determination of the assignment of the unit. **In no case will the SFHA provide an additional unit to the household member(s) who are removed from the original household unit.** The household members who are removed from the original household unit may apply for assistance on a separate application and may be entitled to full preferences, as applicable.

Remaining Member of a Tenant Family and Prior Debt

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family. **[24 CFR 5.403]**

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

SFHA Policy

If the head of household moves out of a leased unit and the family members want to continue occupancy of that unit (or another SFHA unit of the appropriate bedroom size), the remaining family members must identify a new head of household who will be subject to suitability and eligibility requirements. Once approved by the Client Placement Department and any outstanding debt is paid, the new head of household will sign a SFHA residential lease.

If all adults abandon the minors and the only household members remaining in the unit are minors, then the minor may retain the unit only if:

- The SFHA will accept the court-appointed guardian to assume the lease provided that all eligibility and suitability criteria are met
- The court-declared emancipated minor meets all the eligibility and suitability criteria
- The courts disposition is to re-unite a former resident with the minor presently in the unit

Prior Debt. Any outstanding debt owed to the SFHA by the former head of household will be addressed as follows:

- 1) If the debt cannot be collected from the former head of household (death, incarceration, hospitalization), as a party to the lease, remaining adult family members 18 years of age or older will be responsible for arrearages incurred by the former head of house.
- 2) The SFHA will not hold remaining family members responsible for any portion of the arrearage incurred prior to the remaining member turning age 18. Example: The new head of household and only adult member of the household recently turned 18 years of age. The new head of house is not responsible for the portion of the debt owed prior to his/her 18th birthday.
- 3) Remaining family members under age 18 shall not be held responsible for the rent arrearages incurred by the former head of household. The rent arrearages by the former head of household incurred within the last three (3) years will be placed in the debts owed module in the Enterprise Income Verification System (EIV).
- 4) Except as required above, a new head of household added to the Lease will not be charged for any arrearage incurred by the former head of household.
- 5) If the Lease held by the new head of the household is an extension of occupancy under a prior lease(s) with the SFHA, any amounts due under the prior lease(s) may be charged and collected as if the amounts were incurred under the current lease (debt follows the head of household).
- 6) When disputes arise between a resident and the SFHA concerning an action taken by the SFHA to collect a prior debt as outlined in this paragraph, residents will have the opportunity to resolve this dispute through a grievance hearing according to the SFHA’s Grievance Procedures. (See Chapter 14.)

Any outstanding credit due to the resident will be addressed as follows:

- 1) A credit balance that is equal to, or less than, twelve months rent (based on the current monthly rent amount) will be carried as a balance on the resident's account until the credit is exhausted.
- 2) If the credit balance that is more than twelve months rent (based on the current monthly rent amount), the resident will be paid a refund for the amount exceeding 12 months' rent. The amount equal to 12 months' rent will be carried as a balance on the resident's account until the credit is exhausted.
- 3) If the tenant vacates the unit with a credit balance, the SFHA will refund the entire balance, less any charges for damages to the unit by the resident that exceed normal wear and tear, within 30 days of the vacate.

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

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

SFHA Policy

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

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

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

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

Spouse means the marriage partner of the head of household. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co-head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head. Minors who are emancipated under state law may be designated as a co-head.

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

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

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

Joint Custody of Dependents

SFHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time.

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

3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

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

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent deduction, and (2) the income of such an FTS is treated differently from the income of other family members.

3-II.G. FULL-TIME COLLEGE STUDENTS OF NON-PARENTAL/GUARDIAN HOUSEHOLDS

Full-time college students of non-parental/guardian households are not eligible for admission to the Housing Choice Voucher, Project-based Voucher, Public Housing and Housing Choice Voucher Rehabilitation Programs unless students meet the following eligibility standards:

1. The student must be 18 and/or be an emancipated minor under state law.
2. The student must be income-eligible for admission.

The Housing Authority is required to verify and include the following source of income for full-time college students of non-parental/guardian household:

1. Financial support such as money, food, clothing, personal items and entertainment. The financial support must come from an outside source such as parents or guardians in the form of “periodic and determinable allowance” or “regular contributions or gifts.”
2. Athletic scholarship that is available for housing cost.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100, 5.403, 945.105, and FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because these families qualify for the elderly family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

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

As discussed in Chapter 2, the SFHA must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the SFHA's services.

Disabled Family

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

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

3-I.J. GUESTS [24 CFR 5.100]

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

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

SFHA Policy

A guest can remain in the unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period.

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

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

Former public housing residents who have been evicted by the SFHA are not permitted as overnight guests.

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

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

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

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

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

SFHA Policy

A foster child is a child, or a non-minor dependent as defined in California Welfare and Institution Code section 1400(v) that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

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

3-I.L. ABSENT FAMILY MEMBERS

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

Definitions of Temporarily and Permanently Absent

SFHA Policy

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

Absent Students

SFHA Policy

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

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

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

SFHA Policy

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

Absent Head, Spouse, or Co-head due to Employment

SFHA Policy

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

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

Deployment of Military Personnel

A head or co-head who is absent from the unit due to military service for more than 180 days may be removed from the household composition and added back to the household once their military service is completed as long as there is at least one remaining family member in the assisted unit. The Military Personnel or any member of their household must inform the Property Office within 15 days of their return to the unit.

The SFHA will also allow a suitable guardian to move into the assisted unit on a temporary basis to care for any dependents that the military person leaves in the unit. Income of the guardian temporarily living in the unit solely for this purpose is not to be counted in determining family income and the amount of rent the family pays based on family income. The temporary suitable guardian to assist with the dependent care must move out within 15 days of the Military Personnel returning home. Members of the military family cannot be absent for more than 180 consecutive days.

Individuals Confined for Medical Reasons

SFHA Policy

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

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

Return of Permanently Absent Family Members

SFHA Policy

The family must request SFHA approval for the return of any adult family members that the SFHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed in this chapter. Permanently absent family members will be removed from the lease and family composition. The family

must provide third party verification such as a receipt from the U.S. Post Office of a forwarded mailing, utility bill, lease, etc.

3-I.M. LIVE-IN AIDE

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

The SFHA must approve a live-in aide if needed as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 8.

A live-in aide is considered a household member but not a family member. The income of the live-in aide is not counted in determining the annual income of the family [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a live-in aide is not considered a family member, would not have any rights to the property where they are a live-in aide and would not be considered a remaining member of a tenant family.

SFHA Policy

A family's request for a live-in aide must be made in writing. The SFHA will verify the need for a live-in aide with a reliable, knowledgeable professional provided by the family, such as a doctor, social worker, or case worker. For continued approval, the family must submit a new, written request—subject to SFHA verification—at each annual reexamination.

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

The SFHA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

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

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

- The person currently owes rent or other amounts to the SFHA or to another SFHA in connection with Housing Choice Voucher Program or Conventional Public Housing Program under the 1937 Act.

Within 30 calendar days of receiving a request for a live-in aide, including all required documentation related to the request, the SFHA will notify the family of its decision in writing. Once added as a live-in aide, the person may not be changed to a family member unless they meet the eligibility criteria outlined in Chapter 3 of this Policy, including policies related to restrictions on family additions.

3-I.N. CAREGIVER

A family may request a Caregiver. The form shall be available at the property office and shall be submitted at the same property office where the resident resides. A Caregiver has free access to the unit but is not a Live-in-Aide and shall follow the overnight policy for guests outlined in section 3.I.J above. A Caregiver has no rights to the unit.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

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

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

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

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

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size. (Used for income targeting only, not program eligibility.)

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

Using Income Limits for Eligibility [24 CFR 960.201]

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

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

At least 40 percent of the families admitted from the SFHA waiting list to the public housing program during a SFHA fiscal year must be *extremely low-income* families. This is called the “basic targeting requirement”.

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

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

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

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

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

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

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

Declaration [24 CFR 5.508]

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

U.S. Citizens and Nationals

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

SFHA Policy

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

Eligible Noncitizens

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

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

Ineligible Noncitizens

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

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

Mixed Families

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

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

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

SFHA Policy

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

When a SFHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 30 calendar days of the determination.

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

Informal hearing procedures are contained in Chapter 14.

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

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

If an individual qualifies for a time extension for the submission of required documents, the SFHA must grant such an extension for no more than 30 calendar days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

SFHA Policy

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

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10; PIH 2016-05]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within the 6 months prior to program admission, and otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of admission. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The SFHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

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

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

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

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

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

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

In addition, HUD requires or permits the SFHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The SFHA's authority in this area is limited by the Violence Against Women Reauthorization Act of 2013 (VAWA 2013), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been the victim of domestic violence, dating violence, sexual assault or stalking [42 U.S.C. § 14043e-11(b)(1)].

This part covers the following topics:

- Required denial of admission
- Other permitted reasons for denial of admission
- Screening
- Criteria for deciding to deny admission
- Prohibition against denial of admission to victims of domestic violence, dating violence, sexual assault or stalking
- Notice of eligibility or denial

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

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

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

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

- Any member of the household has been evicted from federally-assisted housing in the last three (3) years for drug-related criminal activity.

SFHA Policy

The SFHA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past three (3) years for drug-related criminal activity, if the

SFHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the SFHA, or the person who committed the crime is no longer living in the household.

- The SFHA determines that any household member is currently engaged in the use of illegal drugs. *Drugs* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough (within twelve months) to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].
- The SFHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

In determining reasonable cause, the SFHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. An arrest must be substantiated by a supporting document of criminal activity. Arrest records or police reports will not be used as the sole basis for denying admission. A conviction will be given more weight than an arrest. The SFHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

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

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

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

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

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

SFHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three (3) years, the family will be denied admission.

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

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

Illegal possession and/or use of a firearm and/or other felonious or misdemeanor activities.

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

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

Immediate vicinity is defined by a one-mile radius of the premises

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

Convicted of arson or child molestation

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past 5 years. A conviction for such activity will be given more weight than an arrest or an eviction.

In making its decision to deny assistance, the SFHA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the SFHA may, on a case-by-case basis, decide not to deny assistance.

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

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

In the event of the receipt of unfavorable information with respect to an applicant, the SFHA must consider the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the SFHA may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, sexual assault or stalking.

SFHA Policy

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

The family does not provide information that the SFHA or HUD determines is necessary in the administration of the program.

Any SFHA has ever terminated assistance under the program for any member of the family.

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

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

Owes rent or other amounts to SFHA within the last three (3) years or any other PHA or owner in connection with any assisted housing program, including breach of the terms of a repayment agreement entered into with the SFHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

The family does not provide complete and true information to the SFHA. Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

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

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

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

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

In making its decision to deny admission, the SFHA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the SFHA may, on a case-by-case basis, decide not to deny admission.

3-III.D. SCREENING

Screening for Eligibility

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

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

The SFHA will perform criminal background checks through third party services. The SFHA may use the criminal records system of the City and County of San Francisco, the State of California, the NCIC, and other states and/or municipalities as well as local law enforcement to check for criminal history for all adult household members.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the SFHA will request a fingerprint card and will request information from the National Crime Information Center (NCIC) or the SFHA may obtain the information for a similar agency.

Additionally, the SFHA will ask whether the applicant or any member of the applicant's household is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

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

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

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

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

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

Currently engaging in illegal use of a drug means illegal use of a drug during the previous 12 months;

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

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

If the SFHA chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The SFHA must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or co-head regardless of age.

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

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

SFHA Policy

The SFHA will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the SFHA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the

culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

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

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

SFHA Policy

The SFHA will consider the family's history with respect to the following factors:

- Payment of rent and utilities

- Caring for a unit and premises

- Respecting the rights of other residents to the peaceful enjoyment of their housing

- Criminal activity that is a threat to the health, safety, or property of others

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

- Compliance with any other essential conditions of tenancy

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

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

SFHA Policy

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

Past Performance in Meeting Financial Obligations, Especially Rent

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

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

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

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

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

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

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

Police and court records within the past five (5) years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

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

Home visits may be used to determine the applicant's ability to care for the unit.

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

Evidence

SFHA Policy

The SFHA will use the preponderance of the evidence as the standard for making all admission decisions.

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

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

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

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

SFHA Policy

The SFHA will consider the following factors prior to making its decision:

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

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

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, sexual assault or stalking.

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

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

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

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

Removal of a Family Member's Name from the Application

Should the SFHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the SFHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the SFHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the SFHA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 960.203(c)(3)(i)].

SFHA Policy

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

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

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

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

SFHA Policy

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

3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [42 U.S.C. section 14043e-11(b)(1)] (p. 3-37)

The Violence against Women Reauthorization Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking. 42 U.S.C. section 14043e-11(b)(1).

Definitions [24 CFR 5.2003]

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by 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.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship

- The term *stalking* means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - Fear for his or her safety or others; or
 - Suffer substantial emotional distress
- The term *sexual assault* means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
- The term *affiliated individual* means, with respect to a person –
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
 - Any other person living in the household of that person

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a notice of VAWA rights and the form HUD-50066 at the time the applicant is denied.

SFHA Policy

The SFHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the SFHA's policies. Therefore, if the SFHA makes a determination to deny admission to an applicant family, the SFHA will include in its notice of denial:

A statement of the protection against denial provided by VAWA

A description of SFHA confidentiality requirements

A request that an applicant wishing to claim this protection submit to the SFHA documentation meeting the specifications below with her or his request for an informal hearing (see section 14-I.B)

A copy of the form HUD-50066

Documentation

Victim Documentation

SFHA Policy

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault or stalking may be required to provide documentation demonstrating the connection between the abuse and the unfavorable history. The documentation may consist of any of the following:

A statement signed by the victim using the HUD – approved certification form certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, sexual assault or stalking. A victim must include the name of the perpetrator only if the name is known and safe to provide.

A police, court, or administrative record documenting the domestic violence, dating violence, sexual assault or stalking

Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; mental health professional or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

Time Frame for Submitting Documentation

SFHA Policy

An individual who claims protection against adverse action based on an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking, and who is requested by SFHA, or a manager to provide verification, must provide such verification within 14 business days after receipt of the request for verification. Failure to provide verification, in proper form within such time will result in loss of protection under VAWA and this policy against a proposed adverse action. [42 U.S.C. § 1437f(ee)(2)(A)(2006); 42 U.S.C. § 1437d(u)(2)(A) (2006).

The applicant must submit the required documentation within the time frame provided to the applicant by the SFHA or must request an extension in writing. If the applicant so requests, the SFHA will grant an extension of 15 calendar days or longer in special circumstances as reviewed by the SFHA and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If, after reviewing the documentation provided by the applicant, the SFHA

determines that the family is eligible for assistance, no informal hearing will be scheduled, and the SFHA will proceed with admission of the applicant family.

Conflicting Certification

If the SFHA receives documentation with conflicting information, the PHA may require an applicant or tenant to submit any of the above mentioned third-party documentation. [42 U.S.C. section 14043e-11(c)(7)]

SFHA Confidentiality Requirements [42 U.S.C. § 14043e-11(c)(4) (p. 3-39)]

All information provided to the SFHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such abuse, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

Disclosure may be used in an eviction procedure if it is related to whether the incident or incidents in question qualify as a serious or repeated violation of the lease or criminal activity directly relating to domestic violence, or stalking; disclosure is otherwise required by law. [42 U.S.C. § 14043e-11(c)(4)]

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the SFHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

3-III.G. NOTICE OF ELIGIBILITY OR DENIAL

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

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

SFHA Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the SFHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 15 calendar days to dispute the accuracy and relevance of the information. If the family does not contact the SFHA to dispute the information within that 15 day period, the SFHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process. (See Chapter 14)

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

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault or stalking are contained in Section 3-III.F.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

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

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

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

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

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

(A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that-

(i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(ii) is manifested before the individual attains age 22;

(iii) is likely to continue indefinitely;

(iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and

(v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

(B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

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

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

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

Individual with Handicaps [24 CFR 8.3]

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

(1) Physical or mental impairment includes:

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

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

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

(4) Is regarded as having an impairment means:

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

- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment
- (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

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

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

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

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

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

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the SFHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the SFHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the SFHA will use to keep the waiting list current.

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

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

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

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the SFHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the SFHA. However, the SFHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the SFHA's application [Notice PIH 2009-36]. The SFHA shall notify applicants of their right to include as part of their application the name, address, telephone number and other relevant information of a family member, friend, or social, health, advocacy or other organization.

SFHA Policy

When the waiting list is open, applications for housing will be accepted and entered into the SFHA database, by date and time of receipt.

When it is expected that a family will be selected from the waiting list within 60 calendar days of the date of application, the SFHA will send the family a Notice requesting an initial application appointment to determine eligibility. The Notice will include the date and time of the application appointment. If the family fails to attend the application meeting, the applicant will be removed from the waiting list.

At application, the family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

Families may obtain application forms, when the waiting list is open, on the SFHA website (www.sfha.org). As a reasonable accommodation for persons with disabilities, disabled families may also request – by telephone or by mail – that an application form be mailed to the family assistance with the application.

Completed applications must be completed online. Applications must be filled out completely in order to be accepted by the SFHA for processing. If an application is incomplete, the SFHA will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

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

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

The SFHA must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible or the SFHA must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the SFHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

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

4-I.D. PLACEMENT ON THE WAITING LIST

The SFHA must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the SFHA determines the family to be ineligible. Where the family is determined to be ineligible, the SFHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41]. No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Ineligible for Placement on the Waiting List

SFHA Policy

If the SFHA determines from the information provided that a family is ineligible, the family will not be placed on the waiting list. When a family is determined to be ineligible, the SFHA will send written notification of the ineligibility determination within 30 calendar days of receipt of the completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

Eligible for Placement on the Waiting List

SFHA Policy

Families will be added and placed on the SFHA's waiting list utilizing a random selection process to be completed after the waiting list has been closed. Once each application has been randomly assigned a number, the applications will be placed on the waiting list in order of the assigned numbers following any family that is already been assigned a number and on the waiting list.

The SFHA will accept all applications received during the opening of the waiting list, but reserves the right to limit the number of applications actually placed on the waiting list.

The SFHA will send written notification of the placement or non-placement of the application on the waiting list within 30 calendar days of receiving the application or the closing of the waiting list, whichever comes later.

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

If the SFHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be

ineligible, the SFHA will send written notification of the ineligibility determination within 30 calendar days of receiving a complete application or the closing date of the waiting list, whichever comes later. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 14).

The SFHA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to SFHA standards and local codes). However, in these cases, the family must agree not to request a transfer for five years after admission, unless they have a change in family size or composition.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the SFHA will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The SFHA must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

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

4-II.B. ORGANIZATION OF THE WAITING LIST

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

SFHA Policy

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

- Name and social security number of head of household (At least one member of the family must have a Social Security Number);
- Unit size required (number of family members)
- Amount and source of annual income
- Accessibility requirement, if any
- Date and time of application or application number
- Household type (family, elderly, disabled)
- Admission preference, if any
- Race and ethnicity of the head of household
- The specific site(s) selected (only if SFHA offers site-based waiting lists)

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

SFHA Policy

The SFHA will maintain one single community-wide waiting list for its developments. Within the list, the SFHA will designate subparts to easily identify who should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

Pursuant to existing Internal Revenue Service statutes (IRS), California Tax Credit Allocation Committee (CTAC) requirements, and subject to the review and approval of the SFHA, each tax-credit HOPE VI development and designated HOPE SF, a site may implement its own marketing plan, accept and process applications based on its local preferences, manage its own site-based waiting lists and on-site transfer policy. In so doing, all applicable federal laws, executed contract requirements, and agreements, and other non-conflicting local policies shall be fully complied.

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

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

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

SFHA Policy

The SFHA will not merge the public housing waiting list lot with the waiting list for any other program the SFHA operates.

Site Based Waiting Lists

The San Francisco Housing Authority will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance as part of a Rental Assistance Demonstration ("RAD") conversion. As projects convert to Project Based Voucher ("PBV") assistance under RAD, as site-based waiting list will be implemented. More information on Site-Based Waitlist is located in the Housing Choice Voucher Administrative Plan.

4-II.C. SITE BASED WAITING LISTS

If the SFHA established site-based waiting lists both current and new applicants may choose which site-based waiting list they wish to be placed on and may submit an application for as many sites as where they would choose to live.

When there are insufficient applicants on a site-based waiting list the SFHA will contact applicants on all other waiting lists who may qualify for the type of housing with insufficient applicants. “Insufficient applicants” on a list will be defined as not enough families to fill vacancies for at least three (3) months based on anticipated turnover at the development.

Every reasonable action will be taken by the SFHA to assure that applicants can make informed choices regarding the development(s) in which they wish to reside. The SFHA will disclose information to applicants regarding the location of available sites. The SFHA will also include basic information relative to amenities such as day care, security, transportation, training programs, and an estimate of the period of time that the applicant will likely have to wait to be admitted to units of different types.

Monitoring Site-Based Waiting Lists

The system of site-based waiting lists will be carefully monitored to assure that civil rights and fair housing are affirmatively furthered. In order to monitor the site-based waiting lists the SFHA will:

- Monitor its system of site-based waiting lists at least biannually to assure that racial steering does not occur. If the SFHA’s biannual analysis of its site-based waiting list indicates that a pattern of racial steering is or may be occurring, the SFHA will take corrective action.
- At least every five years use independent testers to ensure that applicants are not treated differently based upon race or ethnicity and that no patterns of discrimination exist.
- Assess changes in racial, ethnic or disability-related resident composition at each SFHA site that has occurred during the implementation of the site-based waiting lists. Each year the SFHA will make this assessment based on PIH Information Center (PIC) data that has been confirmed to be complete and accurate by an independent public auditor.

4-II.D OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

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

SFHA Policy

The SFHA will close the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where the SFHA has particular preferences or other criteria that require a specific category of family, the SFHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

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

SFHA Policy

The SFHA will announce the reopening of the waiting list at least 15 calendar days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The SFHA will give public notice by publishing the relevant information on the SFHA website. In addition the SFHA may also provide public notice through suitable media outlets including, but not limited to:

- The San Francisco Chronicle
- Minority-owned and foreign language newspapers
- Posting in the lobby of the SFHA office at 1815 Egbert Ave, San Francisco, CA
- Posting in the lobby of the SFHA Leased Housing Division office
- Radio and television stations in order to inform the visually impaired
- Notices circulated for posting at social service agencies, community centers and the Bay Area public housing agencies
- Posting at the RAD property and the offices of the agencies managing and providing services for the property.

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

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

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

SFHA outreach efforts must comply with fair housing requirements. This includes:

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

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

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

SFHA Policy

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

4-II.F. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

SFHA Policy

While the family is on the waiting list, the family must inform the SFHA, 15 calendar days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted at the SFHA Applicant Portal, located on the SFHA website, www.sfha.org.

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

4-II.G. UPDATING THE WAITING LIST

HUD requires the SFHA to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

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

SFHA Policy

The waiting list will be updated as needed to ensure that all applicant information is current and timely.

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

The family's response must be submitted through the SFHA Applicant Portal.

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

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

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

The family may request to be reinstated to the waiting list within one year of the withdraw date. The family may request an informal review resulting from removal of the waiting list.

Removal from the Waiting List

SFHA Policy

The SFHA will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

If the SFHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the SFHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the SFHA's decision (see Chapter 14) [24 CFR 960.208(a)].

PART III: TENANT SELECTION

4-III.A. OVERVIEW

The SFHA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The SFHA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The SFHA must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the SFHA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The SFHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the SFHA's selection policies [24 CFR 960.206(e)(2)]. The SFHA's policies must be posted any place where the SFHA receives applications. The SFHA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The SFHA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

SFHA Policy

When an applicant or resident family requests a copy of the SFHA's tenant selection policies, the SFHA will provide copies to them free of charge.

4-III.B. SELECTION METHOD

The SFHA must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the SFHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

The SFHA is permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the SFHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the SFHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

SFHA Policy

The SFHA adopted the following local preferences during the Annual Plan Process in 2016. All preferences must be verified at the time of intake. If an applicant is unable to provide verification at the time of intake, the applicant will be placed back on the waiting list according to the date and time of application. All preferences are mutually exclusive except for the Absolute Veteran/Surviving Spouse of Veteran, which may be combined with any other preference. Applicants with an equal preference value will be selected based on the earliest date and time of application.

(An applicant family includes, but not limited to: 1) family with or without children; 2) an elderly family; 3) a near-elderly family; 4) a disabled family; 5) a displaced family; 6) the remaining member of a tenant family and 7) a single person who is not elderly or displaced person with disabilities, or the remaining member of a tenant family. [24 CFR 5.403].

- **Veteran /Surviving Spouse of Veteran (1 Point)**
- **Homeless in Permanent Supportive Housing and Shelters DSHS/HSA/DPH Referral Preference (7 points)**
- **Involuntary Displacement from residence in San Francisco (5 points)**
- **Homeless in San Francisco (5 points)**

Veteran/Surviving Spouse of Veteran

California Health and Safety Code section 34322.2(b) states that “[p]riority shall be given with each preference category to families of veterans and servicemen.” A veteran is someone who is recognized by a local, state or federal government agency as a veteran, and they receive or qualify for veteran’s benefits. Therefore, veterans and families of veterans shall receive preference within each of SFHA’s preference categories.

Preferences

The following preferences are mutually exclusive. An applicant family is limited to selecting one of the following:

Homeless in Permanent Supportive Housing and Shelters DHSH/HSA/DPH Referral Preference (7 points)

Preference for families referred to by the City and County of San Francisco Department of Homelessness and Supportive Housing (DHSH)/Human Services Agency (HSA) and Department of Public Health (DPH) that are transitioning from San Francisco Permanent Supportive Housing units or San Francisco Shelters. *(These families are still considered homeless for reporting purposes to HUD. This “move up” preference will contribute significantly to the community’s overall efforts to end homelessness by freeing up other units for currently homeless families and individuals with disabilities who need housing combined with services.)*

Involuntary Displacement (5 points)

An applicant is or will be involuntarily displaced if the applicant has vacated or will have to vacate his or her housing unit as a result of one or more of the following actions:

- *Natural Disaster:* A disaster such as a fire, flood or earthquake that resulted in the inhabitability of the applicant’s unit.
- *Domestic Violence, Dating Violence, Sexual Assault, and Stalking:* An applicant, or the affiliated individual of an applicant, who has vacated due to actual or threatened physical violence directed against the applicant or one or more members of the applicant’s family by a spouse or other household member, who lives in housing with an individual who engages in such violence.
- *Victim of Hate Crime/Violent Crime:* Actual or threatened physical violence or intimidation directed against an applicant and his/her property that is based on the person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, that is documented by law enforcement agency stating that the applicant is in an immediate life-threatening situation and that an immediate transfer would minimize the problem.
- *Government Action:* an action of a government agency related to code enforcement or public improvement or development.
Landlord Action: an action by a housing owner that results in an applicant’s having to vacate his or her unit, where the reason for the owner’s action was beyond the applicant’s ability to control or prevent, and despite the applicant having met all previously imposed

conditions of occupancy, and the action is other than a rent increase.

Homeless in San Francisco (5 points)

An applicant family qualifies for this preference when the family:

- Lacks a fixed regular, and adequate nighttime residence; and/or
- Has a primary residence that is:
 - A supervised publicly or privately operated shelter or transitional housing residence designed to provide temporary living accommodations; or
 - An institution that provides a residence for an individual; or
 - A public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
 - Not accessible to a family member with a disability.
- Families with minor children in a Single Room Occupancy (SRO) unit.
- Seniors and/or Disabled Individuals living in SRO's

Prohibition of Preference if Applicant was evicted for drug-related and/or criminal activity

The SFHA will not give any preference to an applicant if any member of the family is a person who was evicted within the three years prior to applying because of drug-related criminal activity from any assisted housing program. The SFHA may consider granting a preference in any of the following cases:

- If the SFHA determines that the evicted person has successfully completed a rehabilitation program approved by the SFHA; or
- If the SFHA determines that the evicted person clearly did not participate in or knew about the drug related criminal activity; or
- If the SFHA determines that the evicted person no longer participates in any drug-related criminal activity

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the SFHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, the SFHA may skip non-ELI families on the waiting list in order to select an ELI family.

If the SFHA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the SFHA's HCV program during a fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the SFHA's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the SFHA fiscal year; (2) ten percent of waiting list admissions to the SFHA's housing choice voucher program during the SFHA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of SFHA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

SFHA Policy

The SFHA will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

Mixed Population Developments [24 CFR 960.407]

A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the SFHA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, co-head, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403]. The SFHA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The SFHA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the SFHA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The SFHA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

Units Designated for Elderly or Disabled Families [24 CFR 945]

The SFHA may designate projects or portions of a public housing project specifically for elderly or disabled families. The SFHA must have a HUD-approved allocation plan before the designation may take place.

Among the designated developments, the SFHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the SFHA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or co-head is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the SFHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse effect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

SFHA Policy

The SFHA has designated senior and/or disabled housing at this time.

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The SFHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the SFHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The SFHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: (1) Developments operated by the SFHA with fewer than 100 public housing units; (2) Mixed population or developments designated specifically for elderly or disabled families; (3) Developments operated by the SFHA with only one general occupancy development; (4) developments approved for demolition or for conversion to tenant-based public housing; and (5) developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the SFHA must comply with the following steps:

Step 1. The SFHA will determine the average income of all families residing in all the SFHA's covered developments. The SFHA may use the median income, instead of average income, provided that the SFHA includes a written explanation in its annual plan justifying the use of median income.

Step 2. The SFHA will determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the SFHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

Step 3. The SFHA will then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low income family (30% of median income).

Step 4. The SFHA with covered developments having average incomes outside the EIR will then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the SFHA will include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

A family has the sole discretion whether to accept an offer of a unit made under the SFHA's deconcentration policy. The SFHA will not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the SFHA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the SFHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

Order of Selection [24 CFR 960.206(e)]

The SFHA system of preferences may select families either according to the date and time of application or by a random selection process.

SFHA Policy

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

When selecting applicants from the waiting list the SFHA will match the characteristics of the available unit (unit size, accessibility features, unit type/designation) to the applicants on the waiting lists. The SFHA will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as deconcentration or income mixing and income targeting will also be considered in accordance with HUD requirements and SFHA policy.

Public Housing

Preference	Points
<i>Veteran/Surviving Spouse (add 1 point to the highest eligible preference category)</i>	<i>(+1)</i>
Homeless In Permanent Supportive Housing and Shelters DSHS/HSA/DPH Referral Preference	7
Involuntarily Displaced from San Francisco residence	5
Homeless In San Francisco	5

Note: Applicants with same point value will be pulled according to date and time.

The above preferences are specifically described in the Local Preference Section of this policy

Public Housing Resident Transfer List Preferences

(Order of Moves)

Reasonable Accommodations	Exhaust list
Emergency Transfers	First 5
Waiting List in Order of Preference	Next 5

Note: The SFHA has the discretion to move non-emergency, administrative transfers as deemed necessary.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the SFHA must notify the family.

SFHA Policy

The SFHA will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- Documents that must be provided at the interview to document eligibility for a preference, if applicable. Families who reported a preference must verify the preference. Verification methods include verification of family status from homeless service agencies and verification of family status from non-profit agencies

- All documents that must be provided at the interview, including information about what constitutes acceptable documentation.

If a notification letter is returned to the SFHA with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the SFHA from making an eligibility determination.

The family may request to be reinstated to the waiting list within one year of the withdraw date. The family may request an informal review resulting from removal of the waiting list.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the SFHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the SFHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the SF [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

SFHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/co-head will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/co-head shall attend the interview on behalf of the family. Verification of adult members of the family will not commence until all release forms are submitted to the SFHA. The interview will be conducted only if the head of household or spouse/co-head provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, the SFHA will allow the family to retain its place on the waiting list for ninety (90) calendar days. If not all household members have disclosed their SSNs at the next time a unit becomes available, the SFHA will offer a unit to the next eligible applicant family on the waiting list.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the SFHA will proceed with the interview. If the SFHA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the SFHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 15 calendar days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For Limited English Proficient (LEP) applicants, the SFHA will provide translation services in accordance with the SFHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the SFHA at least 24 hours in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the SFHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without SFHA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the SFHA from making an eligibility determination; therefore the SFHA will not offer an informal hearing.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The SFHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including SFHA suitability standards, the SFHA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

SFHA Policy

The SFHA will notify a family in writing of their eligibility within 30 calendar days.

The SFHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

SFHA Policy

If the SFHA determines that the family is ineligible, the SFHA will send written notification of the ineligibility determination within 30 calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the SFHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the SFHA can move to deny the application. See Section 3-III.G for the SFHA's policy regarding such circumstances.

Upon making an eligibility determination, the PHA must provide the family a notice of VAWA rights as well as HUD VAWA self-certification form (form HUD-50056) in accordance with the Violence against Women Act of 2013, and as outline in 16-VII.C. The notice and self-certification form must accompany the written notification of eligibility determination. This notice must be provided in both of the following instances: (1) when a family is notified of its eligibility, or (2) when a family is notified of its ineligibility.

Chapter 5

OCCUPANCY STANDARDS AND UNIT OFFERS

INTRODUCTION

The SFHA must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

This chapter contains policies for assigning unit size and making unit offers. The SFHA's waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise the SFHA's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

Part I: Occupancy Standards. This part contains the SFHA's standards for determining the appropriate unit size for families of different sizes, compositions, and types.

Part II: Unit Offers. This part contains the SFHA's policies for making unit offers, and describes actions to be taken when unit offers are refused.

PART I: OCCUPANCY STANDARDS

5-I.A. OVERVIEW

Occupancy standards are established by the SFHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from underutilization or from excessive wear and tear due to overcrowding. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the SFHA will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

5-I.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the SFHA may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. SFHAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the SFHA does determine the size of unit the family qualifies for under the occupancy standards, the SFHA does not determine who shares a bedroom/sleeping room.

The SFHA's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

SFHA Policy

The SFHA will use the same occupancy standards for each of its developments.

The SFHA's occupancy standards are as follows:

The SFHA will assign one bedroom for each two persons within the household, except in the following circumstances:

One (1) bedroom will be provided for the head-of-household and spouse or domestic partner or co-head and an additional bedroom for each two (2) persons within the household.

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

Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.

Single person families will be allocated a zero or one bedroom.

Foster children will be included in determining unit size.

Children of the opposite sex, other than those under five (5) years old, may not be required to occupy the same bedroom or living/sleeping room. Children of opposite gender identification will be identified for subsidy/room determinations with the gender identified by the Head of Household.

The SFHA will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0	1	2
1	1	4
2	2	6
3	3	8
4	4-6	10
5	6-8	12
6	8-10	14

5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

Types of Exceptions

SFHA Policy

The SFHA will consider granting exceptions to the occupancy standards at the family's request if the SFHA determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances.

For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. An exception may also be granted for a smaller bedroom size in cases where the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides (according to the chart in Section 5-I.B) and the family does not want to transfer to a larger size unit.

When evaluating exception requests the SFHA will consider the size and configuration of the unit. In no case will the SFHA grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

Processing of Exceptions

SFHA Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the SFHA will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the SFHA will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The SFHA will notify the family of its decision within 30 calendar days of receiving the family's request.

PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

5-II.A. OVERVIEW

The SFHA must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination laws.

In filling an actual or expected vacancy, the SFHA must offer the dwelling unit to an applicant in the appropriate offer sequence. The SFHA will offer the unit until it is accepted. This section describes the SFHA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the SFHA's policies for offering units with accessibility features.

SFHA Policy

The SFHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

5-II.B. NUMBER OF OFFERS

SFHA Policy

After accepting the offer of housing, the applicant will be shown a vacant unit in their referred location. Units and applicants are matched based on the size and type of housing required by an applicant, taking into account priorities for accessibility and allocation plans. The applicant will be offered a suitable unit in that location. If the offer is rejected, the applicant will be offered the next suitable unit that becomes available, whether it is at the same location as the first offer or at another location. The second unit offer will be the final offer, unless there is good cause for refusing the offer.

The Client Placement Department will withdraw the application after the applicant declines the offer of housing (without “good cause”). The applicant will have the option to re-apply when the waiting list is open.

5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

SFHA Policy

Applicants must accept or refuse a unit offer within seven calendar days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

5-II.D. REFUSALS OF UNIT OFFERS

Good Cause for Unit Refusal

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

SFHA Policy

Applicants may refuse to accept a unit offer for "*good cause*." *Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

- Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities
- The family demonstrates to the SFHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption
- A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member

- The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move
- The unit has lead-based paint and the family includes children under the age of six

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The SFHA will require documentation of good cause for unit refusals.

Unit Refusal Without Good Cause

SFHA Policy

When an applicant rejects the final unit offer without good cause, the SFHA will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal review and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the SFHA opens the waiting list.

5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

SFHAs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the SFHA must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the SFHA's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the SFHA may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

SFHA Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the SFHA will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the SFHA will require the applicant to agree to move to an available non-accessible unit within 30 calendar days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

Chapter 6

INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

INTRODUCTION

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the. The SFHA will use the policies and methods described in this chapter to ensure that only income eligible families receive assistance and that no family pays more or less rent than is required under the regulations. This chapter describes HUD regulations and SFHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and SFHA policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the SFHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and SFHA policies for calculating adjusted income are found in Part II.

Part III: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

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

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

SFHA Policy

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

Absent Students

SFHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information

becomes available to the SFHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

SFHA Policy

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

Absent Head, Spouse, or Co-head

SFHA Policy

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

Individuals Confined for Medical Reasons

SFHA Policy

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

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

Joint Custody of Children

SFHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time.

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

Caretakers for a Child

SFHA Policy

The approval of a caretaker is at the SFHA's discretion and subject to the SFHA's screening criteria. If neither a parent nor a designated guardian remains in a household, the SFHA will take the following actions.

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 calendar days. After the 90 calendar days have elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the SFHA will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

The SFHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The SFHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the SFHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The SFHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

SFHAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows SFHAs to use tenant-provided documents to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the SFHA does not determine it is necessary to obtain additional third-party data.

SFHA Policy

When EIV is obtained and the family does not dispute the EIV employer data, the SFHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the SFHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 calendar days.

The SFHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If the SFHA determines additional information is needed.

In such cases, the SFHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the SFHA annualized projected income.

When the SFHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the

SFHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the SFHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If the SFHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the SFHA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the SFHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the SFHA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 calendar days of the reexamination interview date.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that SFHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation [24 CFR 5.609(b)(1)]

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

SFHA Policy

For persons who regularly receive bonuses or commissions, the SFHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the SFHA will use the prior year amounts. In either case the family may provide, and the SFHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the SFHA will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

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

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income.

SFHA Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Children's Earnings [24 CFR 5.609(c)(1)]

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]

Income from some federal programs is specifically excluded from consideration as income, including:

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

Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the SFHA, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the SFHA’s governing board. No resident may receive more than one such stipend during the same period of time.

State and Local Employment Training Programs

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

SFHA Policy

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

The SFHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the SFHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the SFHA's interim reporting requirements (see chapter on reexaminations).

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Housing Choice Voucher Program administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

SFHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255]; Notice PIH 2016-06; Streamlining Final Rule (SFR) Federal Register 3/8/16

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that they are participating in the EID.

SFHA Policy

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

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

Original Calculation Method

Initial 12-Month Exclusion

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

SFHA Policy

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

Second 12-Month Exclusion and Phase-In

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

Third 12 Month Phase-In

During the third 12-month period, the tenant does not receive an exclusion and 100% of their employment income is counted towards household income.

Lifetime Limitation

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

SFHA Policy

During the 48-month eligibility period, the SFHA will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Individual Savings Accounts [24 CFR 960.255(d)]

SFHA Policy

The SFHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.

The following rules pertaining to ISAs do not apply to this public housing program.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

Net income is “gross income less business expense” [HCV GB, p. 5-19].

SFHA Policy

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

Business Expansion

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

SFHA Policy

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

Capital Indebtedness

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

SFHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the SFHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

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

Withdrawal of Cash or Assets from a Business

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

SFHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the SFHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

SFHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the public housing program. However, HUD requires that the SFHA include in annual income the anticipated “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the SFHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and SFHA policies related to each type of asset.

General Policies

Income from Assets

The SFHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the SFHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the SFHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the SFHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

SFHA Policy

Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the SFHA to show why the asset income determination does not represent the family’s anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires the SFHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

SFHA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3)]

When net family assets are \$5,000 or less, the SFHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the SFHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the SFHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The "safe harbor" is now for the SFHA to establish a passbook rate within 0.75 percent of a national average.
- The SFHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

SFHA Policy

The SFHA will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The SFHA will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current SFHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the SFHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

SFHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the SFHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the SFHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the SFHA will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the SFHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The SFHA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

SFHA Policy

The SFHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual re-certifications, the family may request an interim recertification to eliminate consideration of the asset(s).

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

Separation or Divorce

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

SFHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

SFHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The SFHA may verify the value of the assets disposed of if other information available to the SFHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

SFHA Policy

In determining the value of a checking account, the SFHA will use the average monthly balance for the last six months.

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

In determining the anticipated income from an interest-bearing checking or savings account, the SFHA will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

SFHA Policy

In determining the market value of an investment account, the SFHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the SFHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

SFHA Policy

In determining the equity, the SFHA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The SFHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the SFHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The SFHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

SFHA Policy

For the purposes of calculating expenses to convert to cash for real property, the SFHA will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

SFHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the SFHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Non-revocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the SFHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

SFHA Policy

In determining the value of personal property held as an investment, the SFHA will use the family's estimate of the value. The SFHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

SFHA Policy

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

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [FR Notice 11/24/08].

SFHA Policy

When a delayed-start payment is received and reported during the period in which the SFHA is processing an annual reexamination, the SFHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the SFHA.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Treatment of Overpayment Deductions from Social Security Benefits

The SFHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the SFHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2012-1].

SFHA Policy

The SFHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].
Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

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

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

Covered Families

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

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the SFHA must include in annual income “imputed” welfare income. The SFHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

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

For special procedures related to grievance hearings based upon the SFHA’s denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

Offsets

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

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

Alimony and Child Support

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

SFHA Policy

The SFHA will count court-awarded amounts for alimony and child support unless the SFHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

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

SFHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the SFHA. For contributions that may vary from month to month (e.g., utility payments), the SFHA will include an average amount based upon past history.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)].

SFHA Policy

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Foster care payments issued by the San Francisco Human Services Agency to caregivers of foster children according to 24 CFR 5.609(c)(2).
- Payments received under the Kin-GAP program, as well as other similar foster care assistance programs in other states, may be considered as payments received for the care of foster children thereby qualifying these payments to be excluded from income. (HUD Correspondence to Representative Maxine Waters, dated April 8, 2008.)
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 05/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC

- (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (e) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (g) Payments received under program funds in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts.
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *Re Orange Agent-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida.
- (q) Payments received
- (r) under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (s) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (t) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (u) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)

- (v) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in section 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437 a(b)(3)(E)(Pub.L. 109-249)
- (w) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (x) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (y) (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require SFHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (SFHA) must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

Anticipating Expenses

SFHA Policy

Generally, the SFHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the SFHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the SFHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The SFHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

SFHA Policy

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

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

Families That Qualify for Both Medical and Disability Assistance Expenses

SFHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SFHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

SFHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the SFHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the SFHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members’ incomes [PH Occ GB, p. 124].

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows: “Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises SFHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

SFHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

SFHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the SFHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability expenses may be deducted for payments to a member of a tenant family [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are reimbursed by an outside source.

Necessary and Reasonable Expenses

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

SFHA Policy

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

family may present, and the SFHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

SFHA Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the SFHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household, are included when determining the family’s child care expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

SFHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family’s request, the SFHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

SFHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member’s efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member’s job search efforts are not commensurate with the child care expense being allowed by the SFHA.

Furthering Education

SFHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a

full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

SFHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

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

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

SFHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the SFHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the tenant family. The SFHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

SFHA Policy

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

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

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the SFHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

SFHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the SFHA will use the schedule of child care costs from the local welfare agency. Families may present, and the SFHA will consider, justification for costs that exceed typical costs in the area.

6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the SFHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.

SFHA Policy

The SFHA has opted not to use permissive deductions.

PART III: CALCULATING RENT

6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the SFHA.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the SFHA

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

Welfare Rent [24 CFR 5.628]

SFHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

SFHA Policy

The minimum rent for this locality is \$25.00.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

SFHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the SFHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The SFHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to SFHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

SFHA Policy

The SFHA chooses not to adopt optional changes to income-based rents.

Utility Reimbursement [24 CFR 960.253(c)(3)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the SFHA to pay the reimbursement to the family or directly to the utility provider.

The SFHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar year quarter, either prospectively or retroactively and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The SFHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship. The SFHA must issue reimbursements that exceed \$15.00 per month on a monthly basis.

SFHA Policy

The SFHA will issue all utility reimbursements directly to the family monthly.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

SFHA Policy

The financial hardship rules described below apply in this jurisdiction because the SFHA has established a minimum rent of \$25.00.

Overview

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

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

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

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

SFHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

SFHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

SFHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the SFHA.

SFHA Policy

The SFHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

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

The SFHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

SFHA Policy

The SFHA defines temporary hardship as a hardship expected to last 90 calendar days or less. Long term hardship is defined as a hardship expected to last more than 90 calendar days. A hardship must be requested within 15 calendar days from the commencement of the hardship.

If a family can provide evidence satisfactory to the SFHA that the monthly payment amount as determined by the SFHA would impose an undue hardship or that their income is \$0, the SFHA will require a lower monthly payment amount of no less than \$25.00 towards the repayment agreement. If the tenant is already paying \$25 towards past due debt, the amount will remain at \$25.00.

The SFHA may not evict the family for nonpayment of minimum rent during the 90 calendar day period beginning the month following the family's request for a hardship exemption.

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

Example: Impact of Minimum Rent Exemption	
Assume the SFHA has established a minimum rent of \$35.	
TTP – No Hardship	TTP – With Hardship

\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$25	Minimum rent	\$25	Minimum rent
Minimum rent applies. TTP = \$25		Hardship exemption granted. TTP = \$15	

SFHA Policy

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

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

No Financial Hardship

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

For procedures pertaining to grievance hearing requests based upon the SFHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SFHA Policy

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

Temporary Hardship

If the SFHA determines that a qualifying financial hardship is temporary, the SFHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the SFHA the amounts suspended. HUD requires the SFHA to offer a reasonable repayment agreement, on terms and

conditions established by the SFHA. The SFHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the SFHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

SFHA Policy

The SFHA will enter into a repayment agreement in accordance with the SFHA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

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

SFHA Policy

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

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

6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the SFHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

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

Reasonable Accommodation [24 CFR 8]

On request from a family, SFHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Utility Allowance Revisions [24 CFR 965.507]

The SFHA must review its schedule of utility allowances each year. Between annual reviews, the SFHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

The tenant rent calculations must reflect any changes in the SFHA's utility allowance schedule [24 CFR 960.253(c)(3)].

SFHA Policy

Unless the SFHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520; Notice PIH 2016-05]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The SFHA must prorate the assistance provided to a mixed family. The SFHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the SFHA must:

- (1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.
- (2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).
- (3) Multiply the member maximum subsidy by the number of eligible family members.
- (4) Subtract the subsidy calculated in the last step from the rent. This is the prorated TTP.
- (5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.
- (6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and reviews of flat rents are contained in Chapter 16.

Family Choice in Rents [24 CFR 960.253(a) and (e)]

Once each year, the SFHA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The SFHA must document that flat rents were offered to families under the methods used to determine flat rents for the SFHA.

SFHA Policy

The annual SFHA offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.

The SFHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The SFHA must provide sufficient information for families to make an informed choice. This information must include the SFHA's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the SFHA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]

A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the SFHA determines that a financial hardship exists, the SFHA must immediately allow the family to switch from flat rent to the income-based rent.

SFHA Policy

Upon determination by the SFHA that a financial hardship exists, the SFHA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- Such other situations determined by the SFHA to be appropriate

SFHA Policy

The SFHA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

Change Phasing In Flat Rents [Notice PIH 2015-13; 24 CFR 960.253(b)]

For current residents whose rent would increase as a result of new flat rent requirements, the SFHA must restrict the increases to no more than 35 percent of the current tenant rent per year. This would necessitate a phase-in of the rent increase.

Notice PIH 2015-13 requires that flat rents must be phased in at the full 35 percent per year, SFHA does not have the option of phasing in flat rent increases at less than 35 percent per year.

Flat Rent Impact Analysis Calculation

In order to conduct a flat rent impact analysis, the SFHA must multiply the family's current rent amount by 1.35 and compare the result to the flat rent under the SFHA's policies.

Example: A family was paying a flat rent of \$500 per month. At their annual recertification, the PHA has increased the flat rent for their unit size to \$700. The PHA would conduct a flat rent impact analysis as follows:

$$\$500 \times 1.35 = \$675$$

Since the PHA's increased flat rent of \$700 would result in a rent increase of more than 35 percent, the PHA would offer the family the choice to pay either \$675 per month or an income-based rent. The flat rent increase would need to be phased in.

Flat Rents and Earned Income Disallowance [A&O FAQs]

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

Under the EID original calculation method, a family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent as long as the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

Under the EID revised calculation method, a family currently paying flat rent that previously qualified for the EID while paying income based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent regardless of whether the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

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EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of this section.

¹ Text of 45 CFR 260.31 follows (next page).

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For Housing Choice Voucher programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurring, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related

services that do not provide basic income support;
and

(7) Transportation benefits provided under a Job
Access or Reverse Commute project, pursuant to

section 404(k) of [the Social Security] Act, to an
individual who is not otherwise receiving
assistance

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the SFHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the SFHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in

prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or prospective monthly amounts

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to SFHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

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EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, SFHAs 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 there for. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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EXHIBIT 6-4: EARNED INCOME DISALLOWANCE

24 CFR 960.255 Self-sufficiency incentive–Disallowance of increase in annual income.

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

Baseline Income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person who is a member of a qualified family.

Disallowance. Exclusion from annual income.

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

Qualified family. A family residing in public housing:

- (i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;
- (ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
- (iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the SFHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500.

(b) *Disallowance of increase in annual income.*

(1) *Initial twelve month exclusion.* During the 12-month period beginning on the date on which a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment the PHA must exclude from the annual income (as defined in §5.609 of this title) of a qualified family any increase in the income of the family member as a result of employment over the baseline income of that family member.

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

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

(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date.

(c) *Inapplicability to admission.* The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) *Individual Savings Accounts.* As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a SFHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

- (1) The SFHA must advise the family that the savings account option is available;
- (2) At the option of the family, the SFHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the SFHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;
- (3) Amounts deposited in a savings account may be withdrawn only for the purpose of:
 - (i) Purchasing a home;
 - (ii) Paying education costs of family members;
 - (iii) Moving out of public or assisted housing; or
 - (iv) Paying any other expense authorized by the SFHA for the purpose of promoting the economic self-sufficiency of residents of public housing;
- (4) The SFHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the SFHA may not charge a fee for maintaining the account;
- (5) At least annually the SFHA must provide the family with a report on the status of the account; and
- (6) If the family moves out of public housing, the SFHA shall pay the tenant any balance in the account, minus any amounts owed to the SFHA.

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Housing Choice Voucher tenant-based assistance program: How welfare benefit reduction affects family income.

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

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

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

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

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

Specified welfare benefit reduction.

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

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

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

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

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

(c) Imputed welfare income.

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

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

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

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

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

(d) Review of SFHA decision.

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

(2) Housing Choice Voucher Program participant. A participant in the H tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the SFHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the SFHA denies the family's request to modify such amount, the SFHA shall give the family written notice of such denial, with a brief explanation of the basis for the SFHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the SFHA determination, the family may request an informal hearing on the determination under the SFHA hearing procedure.

(e) SFHA relation with welfare agency.

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

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

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

Chapter 7

VERIFICATION

[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2010-19]

INTRODUCTION

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

The SFHA will follow the verification guidance provided by HUD in Notice PIH 2010-19 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary SFHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information, Part III provides information on income and assets, and Part IV covers mandatory deductions.

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

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION

[24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the SFHA or HUD determines is necessary to the administration of the program and must consent to SFHA verification of that information [24 CFR 960.259(a)(1)].

Consent Forms

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the SFHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the SFHA will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the SFHA's grievance procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2010-19]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the SFHA to use the most reliable form of verification that is available and to document the reasons when the SFHA uses a lesser form of verification.

In order of priority, the forms of verification that the SFHA will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third Party Verification (may be provided by applicant or resident)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

SFHA Policy

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

Print-outs from official web pages are considered original documents.

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

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

File Documentation

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

SFHA Policy

The SFHA will document, in the family file, the following:

- Reported family annual income

- Value of assets

- Expenses related to deductions from annual income

- Other factors influencing the adjusted income or income-based rent determination

When the SFHA is unable to obtain third-party verification, the SFHA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2010-19].

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

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

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the SFHA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the SFHA's informal review/hearing processes. (For more on UIV and income projection, see section 6-I.C.)

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

SFHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertification's of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

EIV Income Reports

The data shown on income reports is updated quarterly. Data may be between three and six months old at the time reports are generated.

SFHA Policy

The SFHA will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6.I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in resident files with the applicable annual or interim reexamination documents.

When the SFHA determines through income reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth.

SFHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2012-10].

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

SFHA Policy

The SFHA will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. The SFHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the tenant. When the SFHA determines that discrepancies exist as a result of SFHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)

In addition to mandatory use of the EIV system, HUD encourages SFHAs to utilize other upfront verification sources.

SFHA Policy

The SFHA will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the SFHA by the family. If written third-party verification is not available, the SFHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2010-19]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The SFHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The SFHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

SFHA Policy

Third-party documents provided by the family must be dated within 90 calendar days of the SFHA request date.

If the SFHA determines that third-party documents provided by the family are not acceptable, the SFHA will explain the reason to the family and request additional documentation.

As verification of earned income, the SFHA will require the family to provide the two most current consecutive pay stubs.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the SFHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

SFHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

SFHA Policy

The SFHA will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the SFHA.

Oral Third-Party Verification [Notice PIH 2010-19]

For third-party oral verification, SFHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 15 calendar days.

SFHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

SFHA Policy

In collecting third-party oral verification, SFHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the SFHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2010-19]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

SFHA Policy

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

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

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

The SFHA may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

SFHA Policy

The SFHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

Value of Assets and Asset Income [24 CFR 960.259]

For families with net assets totaling \$5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process whenever a family member is added and at least every three years thereafter.

SFHA Policy

For families with net assets totaling \$5,000 or less, the SFHA will accept the family's self certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.

The SFHA will use third-party documentation of assets as part of the intake process, whenever a family member is added to verify the individual's assets and every three years thereafter.

7-I.E. SELF-CERTIFICATION

When HUD requires third-party verification, self-certification, or "tenant declaration," is used as a last resort when the SFHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total \$5,000 or less and the PHA has adopted a policy to accept self certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual rectifications for fixed sources of income (See Appendix B)

When the SFHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

SFHA Policy

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

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

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

PART II

VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

SFHA Policy

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

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) Current U.S. passport Current employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

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

If none of these documents can be provided and at the SFHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the SFHA and be signed in the presence of a SFHA representative or SFHA notary public.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the SFHA has reason to doubt the identity of a person representing him or herself to be a tenant or a member of a tenant family.

If a family is unable to provide original verification of legal identity due to domestic violence, dating violence, sexual assault or stalking, the SFHA will grant the family an extension of at least 90 calendar days in order to permit the family to obtain replacement identification.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2012-10]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

The SFHA must accept the following documentation as acceptable evidence of the social security number:

An original SSN card issued by the Social Security Administration (SSA)

An original SSA-issued document, which contains the name and SSN of the individual

An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

The SFHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document or if the original document has been altered, mutilated, or is ineligible, or appears to be forged.

SFHA Policy

The SFHA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the SFHA within 90 calendar days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of program admission, an otherwise eligible family may be admitted and must provide documentation of the child's SSN within 90 days. A 90-day extension will be granted if the SFHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control

SFHA Policy

The SFHA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such a delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family or other emergency.

When the resident requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The SFHA may not add the new household member until such documentation is provided.

When a resident requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the resident must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the SFHA determines that the resident's failure to comply was

due to unforeseen circumstances and was outside of the resident's control. During the period the SFHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

SFHA Policy

The SFHA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

SFHA Policy

The SFHA will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the SFHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN

SFHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the SFHA will remove and destroy copies of documentation accepted as evidence of social security numbers.

If a family is unable to provide original verification of legal identity due to domestic violence, dating violence, sexual assault or stalking, the SFHA will grant the family an extension of at least 90 calendar days in order to permit the family to obtain replacement identification.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

SFHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the SFHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

If a family is unable to provide original verification of legal identity due to domestic violence, dating violence, sexual assault or stalking, the SFHA will grant the family an extension of at least 90 calendar days in order to permit the family to obtain replacement identification.

7-II.D. FAMILY RELATIONSHIPS

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

SFHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

SFHA Policy

Certification by the head of household is normally sufficient verification. If the SFHA has reasonable doubts about a marital relationship, the SFHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

SFHA Policy

Certification by the head of household is normally sufficient verification. If the SFHA has reasonable doubts about a divorce or separation, the SFHA will require the family to provide documentation of the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

SFHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

SFHA Policy

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

If the adult member is absent from the household due to domestic violence, dating violence, sexual assault or stalking, the remaining family member can certify this through self-certification or form HUD-50066.

7-II.E. VERIFICATION OF STUDENT STATUS

SFHA Policy

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

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

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

7-II.F. DOCUMENTATION OF DISABILITY

The SFHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The SFHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The SFHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the SFHA receives a verification document that provides such information, the SFHA will not place this information in the tenant file. Under no circumstances will the SFHA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' Web site at <http://www.hhs.gov/ocr/privacy/>.

The SFHA may make the following inquiries, provided it makes them of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiry about whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiry about whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

SFHA Policy

For family members claiming disability who receive disability payments from the SSA, the SFHA will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, the SFHA will request a current (dated within the last 60 calendar days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the SFHA will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from www.ssa.gov. Once the family receives the benefit verification letter, it will be required to provide the letter to the SFHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

SFHA Policy

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and SFHA verification requirements related to citizenship status.

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

U.S. Citizens and Nationals

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

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

SFHA Policy

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

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

SFHA Verification [HCV GB, pp 5-3 and 5-7]

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

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

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

7-II.H. VERIFICATION OF PREFERENCE STATUS

The SFHA must verify any preferences claimed by an applicant that determined his or her placement on the waiting list.

SFHA Policy

The SFHA will verify the preference at the time of initial intake. If the preference is not verified at that time, the applicant will be placed back on the waiting list based on the date and time of application.

PART III

VERIFYING INCOME AND ASSETS

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

7-III.A. EARNED INCOME

Tips

SFHA Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Wages

SFHA Policy

For wages other than tips, the family must provide originals of the two most current consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

SFHA Policy

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

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

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

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The SFHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the SFHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the SFHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the SFHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

SFHA Policy

To verify the SS/SSI benefits of applicants, the SFHA will request a current (dated within the last 60 calendar days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, the SFHA will help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the SFHA.

To verify the SS/SSI benefits of residents, the SFHA will obtain information about social security/SSI benefits through HUD's EIV system, and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the SFHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, the SFHA will help the resident request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the SFHA.

Social Security/SSI Benefits Elderly Families and Disabled Families on Fixed Income (PIH Notice 2013-3)

SFHA Policy

1. SFHA will conduct a streamlined re-examination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. The Agency will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.
2. For purposes of this streamlined process, the term "fixed income" includes income from:
 - a. Social Security payments to include Supplemental Security Income (SSI_ and Supplemental Security Disability Insurance (SSDI);
 - b. Federal, State, local, and private pension plans; and
 - c. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

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7-III.D. ALIMONY OR CHILD SUPPORT

SFHA Policy

The methods the SFHA will use to verify alimony and child support payments differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be obtained in the following order of priority:

- Copies of the receipts and/or payment stubs for the 60 calendar days prior to the SFHA's request

- Third-party verification form from the state or local child support enforcement agency

- Third-party verification form from the person paying the support

- Family's self-certification of amount received

If the family declares that it *receives irregular or no payments*.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The SFHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

SFHA Policy

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

The SFHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly resident reported a \$10,000 certificate of deposit at the last annual reexamination and the SFHA verified this amount. Now the person reports that they gave \$10,000 to their son. The SFHA has a reasonable estimate of the value of the asset; therefore, recertification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the SFHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

SFHA Policy

The family must provide:

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

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

7-III.G. RETIREMENT ACCOUNTS

SFHA Policy

The SFHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the SFHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the SFHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

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

7-III.H. INCOME FROM EXCLUDED SOURCES

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

The SFHA must obtain verification for income exclusions only if, without verification, the SFHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the SFHA will confirm that SFHA records verify the child's age but will not require third-party verification of the amount earned. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

SFHA Policy

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the SFHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

SFHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, SFHAs have the option of requiring additional verification.

For partially excluded income, the SFHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

SFHA Policy

The SFHA will accept the family's self-certification as verification of fully excluded income. The SFHA may request additional documentation if necessary to document the income source.

The SFHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

When families attend the lease orientation, they will be provided with:

A copy of the tenant's right under the Violence Against Women Act

7-III.I. ZERO ANNUAL INCOME STATUS

SFHA Policy

The SFHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income etc. are not being received by families claiming to have zero annual income.

PART IV

VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

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

Dependent Deduction

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

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

Elderly/Disabled Family Deduction

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

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

SFHA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

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

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the SFHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or co head is at least 62 or a person with disabilities. The SFHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the SFHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

SFHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past YearsSFHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the SFHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

SFHA Policy

The SFHA will accept written third-party documents provided by the family.

If family-provided documents are not available, the SFHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

SFHA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the SFHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The SFHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The SFHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

SFHA Policy

The SFHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

SFHA Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the SFHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education..
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The SFHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

SFHA Policy

The family and the care provider will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

The SFHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

SFHA Policy

Information to be Gathered

The SFHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the SFHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the SFHA will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to the SFHA any reports provided to the other agency.

In the event third-party verification is not available, the SFHA will provide the family with a form on which the family member must record job search efforts. The SFHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The SFHA will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

The SFHA will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

SFHA Policy

The SFHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The SFHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The SFHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

SFHA Policy

The actual costs the family incurs will be compared with the SFHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the SFHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Exhibit 7-1: Summary of Documentation Requirements for Noncitizens [HCV GB, pp. 5-9 and 5-10]
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| <ul style="list-style-type: none"> • All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the SFHA. • Except for persons 62 or older, all noncitizens must sign a verification consent form • Additional documents are required based upon the person's status. |
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Elderly Noncitizens

- | |
|---|
| <ul style="list-style-type: none"> • A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits. |
|---|

All other Noncitizens

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| <ul style="list-style-type: none"> • Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below. |
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| <ul style="list-style-type: none"> • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> • “Admitted as a Refugee Pursuant to Section 207” • “Section 208” or “Asylum” • “Section 243(h)” or “Deportation stayed by Attorney General” • “Paroled Pursuant to Section 221 (d)(5) of the USCIS” | <ul style="list-style-type: none"> • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> • A final court decision granting asylum (but only if no appeal is taken); • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90); • A court decision granting withholding of deportation; or • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90). |
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| <ul style="list-style-type: none"> • Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”. | Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”. |
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- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

Chapter 8

LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

Public housing leases are the contractual basis of the legal relationship between the SFHA and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD regulations.

HUD regulations require the SFHA to inspect each dwelling unit prior to move-in, at move-out, and annually during the period of occupancy. In addition, the SFHA may conduct additional inspections in accordance with SFHA policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the SFHA's policies pertaining to lease execution, lease modification, and payments under the lease.

Part II: Inspections. This part describes the SFHA's policies for inspecting dwelling units.

PART I

LEASING

8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the SFHA may not renew the lease if the family has violated the community service requirement [24 CFR 966.4(a)(2)].

Part I of this chapter contains regulatory information on leasing, where applicable, as well as the SFHA's leasing policies.

8-I.B. LEASE ORIENTATION

SFHA Policy

After unit acceptance but prior to occupancy, a SFHA representative will conduct a lease orientation with the family. The head of household or spouse is required to attend.

Orientation Agenda

SFHA Policy

When families attend the lease orientation, they will be provided with:

- A copy of the lease

- A copy of the SFHA's grievance procedure

- A copy of the house rules

- A copy of the SFHA's schedule of maintenance charges

- A copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

- A copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19

- Information about the protections afforded by the Violence against Women Reauthorization Act of 2013 (VAWA) to victims of domestic violence, dating violence, sexual assault, and stalking (see section 16-VII.C)

Topics to be discussed and explained to all families include:

- Applicable deposits and all other charges

- Review and explanation of lease provisions

- Unit maintenance requests and work orders

- The SFHA's interim reporting requirements

- Review and explanation of occupancy forms

- Community service requirements

- Family choice of rent

8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the SFHA, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one SFHA unit to another.

The lease must state the composition of the household as approved by the SFHA (family members and any SFHA-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

SFHA Policy

The head of household, spouse or co head, and all other adult members of the household will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the SFHA will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to SFHA assistance. The live-in aide is only approved to live in the unit while serving as the care attendant for the family member who requires the care.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the SFHA [24 CFR 966.4(a)(3)].

Modifications to the Lease

The SFHA may modify its lease from time to time. However, the SFHA must give residents at least 30 calendar days advance notice of the proposed changes and an opportunity to comment on the changes. The SFHA must also consider any comments before formally adopting a new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 calendar days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(l)(2)(iii)(E)].

SFHA Policy

The family will have 30 calendar days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 calendar day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least 30 calendar days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

SFHA Policy

When the SFHA proposes to modify or revise schedules of special charges or rules and regulations, the SFHA will post a copy of the notice in the central office, and will mail a copy of the notice to each resident family. Documentation of proper notice will be included in each resident file.

Other Modifications

SFHA Policy

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and SFHA will be required to initial and date the change.

If a new household member is approved by the SFHA to reside in the unit, the person's name and birth date will be added to the lease. The head of household and SFHA will be required to initial and date the change. If the new member of the household is an adult, they will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the SFHA, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the SFHA. The SFHA may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

SFHA Policy

Residents must pay a security deposit to the SFHA at the time of admission. The amount of the security deposit will be the greater of \$100 or an amount equal to the family's total tenant payment at the time of move-in, and must be paid in full prior to occupancy. In situations of financial hardship, the resident and the SFHA may enter into an agreement to pay the security deposit in installment payments until the deposit is paid in full.

The SFHA will hold the security deposit for the period the family occupies the unit. The SFHA will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 21 calendar days of move-out, the SFHA will refund to the resident the amount of the security deposit less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The SFHA will provide the resident with a written list of any charges against the security deposit within 15 calendar days of the move-out inspection. If the resident disagrees with the amount charged, the SFHA will provide a meeting to discuss the charges.

If the resident transfers to another unit, the SFHA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the SFHA in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the SFHA must give written notice stating any change in the amount of tenant rent and when the change is effective. Partial payments shall not be accepted.

SFHA Policy

The Department of Housing and Urban Development (HUD) requires the San Francisco Housing Authority (SFHA) to collect rent from all Public Housing Participants. The SFHA requires that each resident make timely rent payments monthly.

I. Rent Due Date

Monthly rent shall be paid on or before the first day of each calendar month and will be considered late on the tenth (10) calendar day of the month.

II. Late Fee

A \$10 late charge will be assessed if Rent is not received by the tenth (10) calendar day of the month. The late charge shall be due and payable fourteen (14) calendar days after the SFHA gives written notice of said charge. Tenant agrees that this provision for payment of a late charge does not establish a grace period and that the SFHA may serve a "Notice to Pay Rent or Quit" the premises at any time after the payment is due. Payment of the late charge does not cure the late payment for purposes of establishing habitual late payment of Rent as defined in Section 5(D).

III. Methods of Payment

Tenant shall pay Rent to the SFHA by personal check, certified check, money order, electronic benefits transfer (EBT), or by other electronic means acceptable to the SFHA. Tenants who submit a check that is returned for insufficient funds or a closed or non-existent account shall be assessed a service charge of \$25.00 and shall make future payment by certified check or money order only. The SFHA will not accept personal

checks for past-due Rent. The SFHA has the right to demand certified funds on nonpayment of Rent notices.

IV. 3rd Party Money Management Requirement (Direct Payment Program)

In the event of habitual late payment, the SFHA shall have the right, in addition to all other remedies and at law, to require that Tenant participate in a direct payment program. A “direct payment program” is one where the third party, to be determined by the SFHA, pays rent directly to the SFHA on behalf of the tenant until the balance is paid in full. “Habitual late payment” shall mean failure by Tenant to pay Rent by the tenth (10th) of each month or any other payments required under this Lease for any three (3) months during any twelve (12) month period. SFHA may terminate or refuse to renew the Lease agreement in the event of habitual late payment and the Tenant has failed to enter into a direct payment program

V. Dispute of Rent Amount

If the tenant disagrees with the rent amount, they may request a meeting with the property manager to review the ledger.

VI. Hearing

A tenant may request a hearing prior to losing their housing resulting from non-payment of rent. A tenant may request an informal hearing through the Department of Government Affairs and Policy within 14 calendar days of the receipt of the 14 calendar day notice.

VII. Housing Retention Agreement

A Housing Retention Agreement is an agreement which provides for the payment of all outstanding rents owed by the tenant, with the objective that the tenant will be permitted to continue to rent the unit. A Housing Retention Agreement may be entered into in accordance with the policy in section 16-III.B.

VIII. Refusal to Pay Rent or Balance Owed

Should the tenant refuse to pay on the balance owed, not request a hearing, not prevail in the hearing, or not act on the 14 day notice, legal proceedings will commence including the filing of an unlawful detainer action.

Court filed stipulated agreements may be entered into on a case by case basis. Once a stipulated agreement is entered into, it must be abided by. Any breach of the agreement will result in eviction.

If a family's tenant rent changes, the SFHA will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

Late Fees, Repayment Agreements and Nonpayment

At the option of the SFHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the SFHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the SFHA grievance procedures. The SFHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

SFHA Policy

If the family fails to pay their rent by the tenth (10) day of the month, a 14 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises. Partial payments shall not be accepted.

In addition, if the resident fails to make payment by the end of office hours on the tenth (10) day of the month, a late fee of \$10.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing.

If the family requests a grievance hearing within the required timeframe, the SFHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 14 calendar days after billing.

Excess Utility Charges

If the SFHA charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the SFHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right to a hearing under the SFHA grievance procedures. The SFHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

SFHA Policy

When applicable, families will be charged for excess utility usage according to the SFHA's current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the SFHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

Maintenance and Damage Charges

If the SFHA charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the SFHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the SFHA grievance procedures. The SFHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

SFHA Policy

When applicable, families will be charged for maintenance and/or damages according to the SFHA's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the SFHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

PART II

INSPECTIONS

8-II.A. OVERVIEW

HUD regulations require the SFHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the SFHA may require additional inspections, in accordance with SFHA Policy. This part contains the SFHA's policies governing inspections, notification of unit entry, and inspection results.

8-II.B. TYPES OF INSPECTIONS

Move-In Inspections [24 CFR 966.4(i)]

The lease must require the SFHA and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the SFHA and the tenant, must be provided to the tenant and retained in the resident file.

SFHA Policy

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

Move-Out Inspections [24 CFR 966.4(i)]

The SFHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if they wish, unless the tenant vacates without notice to the SFHA. The SFHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

SFHA Policy

When applicable, the SFHA will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 15 calendar days of conducting the move-out inspection.

Annual Inspections

Under the Public Housing Assessment System (SFHAS), the SFHA is required to inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS) [24 CFR 902.43(a)(4)].

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

SFHA Policy

Supervisory quality control inspections will be conducted in accordance with the SFHA's maintenance plan.

Special Inspections

SFHA Policy

SFHA staff may conduct a special inspection for any of the following reasons:

- Housekeeping

- Unit condition

- Suspected lease violation

- Preventive maintenance

- Routine maintenance

- There is reasonable cause to believe an emergency exists

Other Inspections

SFHA Policy

Building exteriors, grounds, common areas and systems will be inspected according to the SFHA's maintenance plan.

8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

The SFHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the SFHA entry delivered to the dwelling unit at least two (2) calendar days before such entry is considered reasonable advance notification.

SFHA Policy

The SFHA will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least two (2) weeks written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the SFHA to enter the unit.

Emergency Entries [24 CFR 966.4(j)(2)]

The SFHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the SFHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of Inspections

SFHA Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the SFHA at least 24 hours prior to the scheduled inspection. The SFHA will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The SFHA may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

SFHA Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if they wish.

If no one is at home, the inspector will enter the unit, conduct the inspection and leave a copy of the inspection report in the unit.

8-II.D. INSPECTION RESULTS

The SFHA is obligated to maintain dwelling units and the project in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the SFHA of the damage, and the SFHA must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the SFHA must charge the family for the reasonable cost of repairs, except that a victim of domestic violence, dating violence, sexual assault, or stalking by a household member or guest shall not be charged for the repairs. If the cause is due to or related to domestic violence, dating violence, sexual assault, or stalking by a household member or guest the SFHA may ask for documentation in accordance with VAWA. The SFHA may also take lease enforcement action against the family, except that a victim of domestic violence, dating violence, sexual assault or stalking shall not be terminated due to damages caused by the perpetrator of domestic violence, dating violence, sexual assault or stalking.

If the SFHA cannot make repairs quickly, the SFHA must offer the family standard alternative accommodations. If the SFHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

SFHA Policy

When conditions in the unit are hazardous to life, health, or safety, the SFHA will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

- Natural or LP gas or fuel oil leaks

- Any electrical problem or condition that could result in shock or fire

- Absence of a working heating system when outside temperature is below 68 degrees Fahrenheit

- Utilities not in service, including no running hot water

- Conditions that present the imminent possibility of injury

- Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

Inoperable smoke detectors

Non-emergency Repairs

SFHA Policy

The SFHA will complete or correct non-emergency work orders within 30 calendar days of the submission of the work order. If the SFHA is unable to make repairs within that period due to circumstances beyond the SFHA's control (e.g. required parts or services are not available, weather conditions, etc.) the SFHA will notify the family of an estimated date of completion.

The family must allow the SFHA access to the unit to make repairs.

Resident-Caused Damages

SFHA Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.G., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

SFHA Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the SFHA will provide proper notice of a lease violation.

A re-inspection will be conducted within 30 calendar days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a re-inspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.

RENT ABATEMENT BASED ON HABITABILITY

A tenant may be entitled to rent abatement (rent credit or reduction in rent) if there are conditions in the unit that were reported to the SFHA and SFHA failed to repair the condition in accordance with the ACOP. The condition requiring repairs must not have been caused by the tenant, member of the household or guest.

Any rent abatement claims based on habitability conditions reported/claimed after January 1, 2015 will be required to go through the grievance process in accordance with 24 CFR 966.55(e). Tenant may request a grievance hearing by submitting a Request for Hearing that can be obtained through the Property Office or by visiting www.sfha.org.

To request rent abatement for habitability issues reported before January 1, 2015, a tenant must fill out a “Rent Abatement Request” form and submit it to the property office during their tenancy with the SFHA..

In order to be considered for rent abatement, all of the following requirements must be met:

- (1) The Authority must have been notified of the defect. Notice must be documented by a photo, an email to SFHA staff, a note confirming a conversation with SFHA staff, a work order, an inspection report, or any other document or written communication with SFHA staff;
- (2) Repairs were not made by the SFHA within reasonable time²;
- (3) Alternative accommodations were not provided by the SFHA;
- (4) Tenant did not reject the Authority’s offer of alternative accommodations; and
- (5) The damages for which abatement is sought were not caused by the tenant, a member of the tenant’s household or a guest.

Provisions shall be made for abatement of rent in proportion to the seriousness of the damage and loss in value of a dwelling if repairs are not made in accordance with the ACOP.

The following habitability conditions will be considered for rent abatement:

- ☐ Defects hazardous to life, health or safety include, but are not limited to, the following:
- ☐ Any condition that jeopardizes the security of the unit
- ☐ Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- ☐ Natural or LP gas or fuel oil leaks
- ☐ Any electrical problem or condition that could result in shock or fire
- ☐ Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit
- ☐ Utilities not in service, including no running hot water
- ☐ Conditions that present the imminent possibility of injury
- ☐ Obstacles that prevent safe entrance or exit from the unit
- ☐ Absence of a functioning toilet in the unit
- ☐ Inoperable smoke detectors
- ☐ Additional concerns (for example, inoperable or defective essential appliances) will be reviewed on a case by case basis.

² Reasonable time is defined as 30 days for routine repairs and 24 hours for emergency repairs. In limited circumstances, more than 30 days may be reasonable. See Admissions and Continued Occupancy Policy.

The appropriate abatement amount will be determined on a case by case basis, taking into account the severity of the condition, the impact on the household's quality of life, the amount of time that the condition was unaddressed by SFHA or provision of alternative accommodations. If an individual case falls outside of the above guidelines, SFHA will use its discretion in deciding whether rent abatement is warranted and the amount of abatement, if any.

In order to initiate the process for rent abatement for issues reported prior to January 1, 2015, the tenant must submit a "Request for Rent Abatement" form to the Property Manager. Tenant should indicate the amount of rent abatement Tenant requests in the spaces provided on the form. The SFHA will (1) Review the form; (2) Make a determination and (3) Notify the tenant of the determination within 30 days of the date the determination was made. Tenant may grieve the amount of the abatement granted by requesting a hearing within 10 days of the receipt of the notice of rent abatement amount. Tenant may request a grievance hearing by submitting a Request for Hearing that can be obtained through the Property Office or by visiting www.sfha.org.

DAMAGE TO TENANT'S PERSONAL PROPERTY

The SFHA is not responsible for loss or damage to personal property in or around the residence. Tenants are strongly encouraged to obtain Renter's insurance at their own expense to protect their property against loss or damage due to fire, flood, theft, vandalism, or other casualty. Tenant may submit a claim for loss or damage of personal property to the:

San Francisco Housing Authority
Attn: Human Resources Department
1815 Egbert Avenue,
San Francisco, CA 94124

The claim form can be found at www.sfha.org under "Agency Information" and then "Forms."

Chapter 9

REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

The SFHA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. SFHAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the SFHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the SFHA to offer all families the choice of paying income-based rent or flat rent at least annually. The SFHA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the SFHA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the SFHA's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and SFHA policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the SFHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

PART I

ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS

[24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the SFHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the SFHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the SFHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

The SFHA is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the SFHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the SFHA's policies for conducting annual reexaminations.

9-I.B. STREAMLINED ANNUAL REXEAMINATONS [24 CFR 960.257]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources. Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

SFHA Policy

The SFHA will streamline the annual reexamination process by applying the verified COLA or interest rate to families where everyone in the household is receiving Social Security (SS) and/or Supplemental Social Security (SSI) benefits. If verification of the

COLA or rate of interest is not available, the SFHA will obtain third-party verification of income amounts.

Third party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

9-I.C. SCHEDULING ANNUAL REEXAMINATIONS

The SFHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12 month period [24 CFR 960.257(a)(1)].

SFHA Policy

Generally, the SFHA will schedule annual reexaminations to coincide with the family's anniversary date. The SFHA will begin the annual reexamination process approximately 90 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the SFHA will perform a new annual reexamination, and the anniversary date will be changed.

The SFHA may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The SFHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the SFHA. However, SFHAs should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The SFHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

SFHA Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or co head. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the SFHA to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the SFHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the SFHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without SFHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

9-I.D. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit[24 CFR 966.4(c)(2)].

SFHA Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a SFHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 15 calendar days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The SFHA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

Compliance with Community Service

For families who include nonexempt individuals, the SFHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the SFHA's policies governing compliance with the community service requirement.

9-I.E. EFFECTIVE DATES

As part of the annual reexamination process, the SFHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

SFHA Policy

An increase or decrease in the tenant rent that results from an annual reexamination or an interim reexamination will take effect 30 days after the SFHA has noticed the family of the new rent amount. If less than 30 calendar days remain before the scheduled effective date, the change in tenant rent will take effect on the first of the month following the end of the 30 calendar day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family causes a delay in processing the annual reexamination, decreases in the tenant will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the SFHA by the date specified, and this delay prevents the SFHA from completing the reexamination as scheduled.

PART II

REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS

[24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the SFHA offer all families the choice of paying income-based rent or flat rent at least annually. The SFHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the SFHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The SFHA is only required to provide the amount of income-based rent the family might pay in those years that the SFHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the SFHA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the SFHA's policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

SFHA Policy

For families paying flat rents, the SFHA will conduct a full reexamination of family income and composition once every three (3) years.

Reexamination Policies

SFHA Policy

In conducting full reexaminations for families paying flat rents, the SFHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

9-II.C. REEXAMINATION OF FAMILY COMPOSITION (“ANNUAL UPDATE”)

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the SFHA to conduct a reexamination of family composition (“annual update”) [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that the SFHA does not collect information about the family’s income and expenses, and the family’s rent is not recalculated following an annual update.

Scheduling

The SFHA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

SFHA Policy

For families paying flat rents, annual updates will be conducted in each of the 2 years following the full reexamination.

In scheduling the annual update, the SFHA will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

SFHA Policy

Generally, the family will not be required to attend an interview for an annual update. However, if the SFHA determines that an interview is warranted, in such cases where a member will be added or removed from the lease, the family may be required to attend.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the SFHA. The family will have 15 calendar days to submit the required information to the SFHA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The SFHA will accept required documentation by mail, by fax, or in person.

If the family’s submission is incomplete, or the family does not submit the information in the required time frame, the SFHA will send a second written notice to the family. The family will have 15 calendar days from the date of the second notice to provide the missing information or documentation to the SFHA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

PART III

INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual reexaminations. HUD and SFHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the SFHA must process interim reexaminations to reflect those changes. HUD regulations also permit the SFHA to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The SFHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and SFHA policies that describe the changes families are required to report, the changes families may choose to report, and how the SFHA will process both SFHA- and family-initiated interim reexaminations.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The SFHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the SFHA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

SFHA Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

The SFHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require SFHA approval. However, the family is required to promptly notify the SFHA of the addition [24 CFR 966.4(a)(1)(v)].

SFHA Policy

The family must inform the SFHA of the birth, adoption, or court-awarded custody of a child within 15 calendar days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request SFHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The SFHA may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which SFHA consent will be given or denied. Under such policies, the factors considered by the SFHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The SFHA's obligation to make reasonable accommodation for persons with disabilities.

SFHA Policy

Families must request SFHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing, submitted to the Property Office, and approved by the SFHA prior to the individual moving into the unit.

After the family has been leased in a unit, additions to the family will be limited to the following circumstances:

1. **Birth** of a child to a current family member
2. **Adoption** of a child by a current family member
3. **Court-awarded** custody of a child to a current family member
4. **Legal guardianship** of a minor granted to a current family member
5. As result of **marriage** by a current family member
6. As result of a **civil union** created under any state law by a current family member
7. As a result of a registered **domestic partnership** under any state law by a current family member
8. As a result of a **reasonable accommodation** for current disabled family member
9. As a result of a returning family member from **active military service**
10. As a result of a returning and now **disabled family member**
11. As a result of a returning **child under the age of 24**
12. As a result of returning or placement of a **parent to an existing minor** in the family
13. As a result of returning or placement of **elderly parents or grandparents** to be cared by current family members

14. As a result of returning or placement of a **foster child(ren) or foster adult(s)** if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Married couples claiming to be separated must present evidence of such and will be evaluated on a case-by-case basis. The Authority may require, but is not limited to, the following information:

1. Court Filing of divorce
2. Statement from attorney preparing the divorce
3. Tax-returns with filing status
4. Notarized statements and/or Authority certification(s)
5. Bank Statements

The SFHA will not approve the addition of a new family or household member unless the individual meets the SFHA's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the SFHA determines that an individual does not meet the SFHA's eligibility criteria or documentation requirements, the SFHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The Property Manager will make the determination within 30 calendar days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

If a family member, live-in aide, foster child or foster adult ceases to reside in the unit, the family must inform the SFHA within 15 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

The resident shall provide satisfactory written proof that the Household Member no longer lives at the Residence. Such proof includes, but is not limited to, Proof of forwarding address from the U.S. Post Office, copies of a new lease agreement, utility bills or Rent receipt for a new residence.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the SFHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the SFHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

SFHA Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

SFHA-initiated Interim Reexaminations

SFHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the SFHA. They are not scheduled because of changes reported by the family.

SFHA Policy

The SFHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the SFHA will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the SFHA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the SFHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant-declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the SFHA will conduct an interim reexamination.

The SFHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The SFHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

Required Reporting

HUD regulations give the SFHA the discretion to determine the circumstances under which families will be required to report changes affecting income.

SFHA Policy

Families are required to report all increases in income, including new employment, within 15 calendar days of the date the change takes effect.

The SFHA will only conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and only when the EID family's rent will change as a result of the increase. In all other cases, the SFHA will note the information in the tenant file, but will not conduct an interim reexamination.

Families are not required to report any other changes in income or expenses.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The SFHA must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

SFHA Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the SFHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the SFHA will conduct an interim reexamination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

SFHA Policy

The family may notify the SFHA of changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the SFHA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the SFHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 15 calendar days of receiving a request from the SFHA. This time frame may be extended for good cause with SFHA approval. The SFHA will accept required documentation by mail, by fax, or in person.

Effective Dates

The SFHA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

SFHA Policy

Any changes to the tenant rent will be effective 30 calendar days after notice to the family.

The increase generally will be effective on the first of the month following 30 calendar days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

PART IV

RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the SFHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the SFHA's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

SFHA Policy

Unless the SFHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the SFHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the SFHA re-determines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the SFHA's schedule of Utility Allowances for families in the SFHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the SFHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the SFHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the SFHA's grievance procedure [24 CFR 966.4(c)(4)].

SFHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the SFHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the SFHA may discover errors made by the SFHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

The SFHA has a no pet policy for family properties. The SFHA allows common household pets in properties designated for elderly or disabled persons in accordance with the SFHA established pet policies stipulated in this chapter. In specific, pre-approved, circumstances, a resident residing in a family property may house a pet if:

- Requested as an assistance animal as defined below and defined in California Health and Safety Code section 50685.5 or;
- The household had the Pet registered with the Authority prior to October 1, 2015

This chapter explains the SFHA's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the SFHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the SFHA.

The chapter is organized as follows:

Part I: Service Animals and Assistance Animals. This part explains the difference between service animals, assistance animals and pets and contains policies related to the designation of a service animal or assistance animal as well as their care and handling.

Part II: Pet deposits and fees for Pets registered with the Authority prior to October 1, 2015. This part contains policies for pet deposits and fees that remain applicable to Pet owners.

Part III: Pet policies for all developments. This part contains pet policies that apply to all developments.

PART I

SERVICE ANIMALS AND ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303; 24 CFR 960.705]

Notice FHEO 2013-01

10-I.A. OVERVIEW

This part discusses situations under which permission for a service animal or assistance animal may be denied, and also establishes standards for the care of service and assistance animals.

Notice FHEO 2013-01 was published April 25, 2013. The notice explains the difference between service animals and assistance animals. While the ADA applies to the premises of public housing agencies and to “public accommodations” such as stores and movie theaters, it does not apply to private-market rental housing. Therefore, in public housing the SFHA must evaluate a request for a service animal under both the ADA and the Fair Housing Act.

Neither service animals nor assistance animals are considered pets, and thus, are not subject to the SFHA’s pet policies described in this ACOP [24 CFR 5.303; 960.705; Notice FHEO 2013-01].

10-I.B. APPROVAL OF SERVICE ANIMALS AND ASSISTANCE ANIMALS

Notice FHEO 2013-01 states that the SFHA should first evaluate the request as a service animal under the ADA. The SFHA may only ask whether the dog is a service animal required due to a disability, and what tasks the animal has been trained to perform.

The SFHA cannot require proof of training or certification for a service animal, even if the disability and/or tasks performed are not readily apparent. If the disability and/or tasks performed are not readily apparent, no further inquiries may be made.

The SFHA may only deny a request for a service animal in limited circumstances:

- The animal is out of control and the handler does not take effective action to control it
- The animal is not housebroken, or
- The animal poses a direct threat to health or safety that cannot be eliminated or reduced by a reasonable modification of other policies

A service animal must be permitted in all areas of the facility where members of the public are allowed.

If the animal does not qualify as a service animal under the ADA, the SFHA must next determine whether the animal would qualify as an assistance animal under the reasonable accommodation provisions of the Fair Housing Act. Such assistance animals may include animals other than dogs.

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A SFHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A SFHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

SFHA has the authority to regulate service animals and assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

SFHA Policy

For an animal to be excluded from the pet policy and be considered a service or assistance animal, there must be a person with disabilities in the household, and the family must request and the SFHA approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

If the assistance animal is trained, the documentation of the animals training or certification must be submitted to the property office.

Prior to obtaining a service animal or assistance animal, the head of household must provide a written certification from a licensed medical doctor on a form provided by the SFHA that a member of the household has a disability and requires the assistance of an animal as either a service or companion animal.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a SFHA may have to regulate service animals and assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

SFHA Policy

Residents must care for service animals and assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that service animals and assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of a service animal or an assistance animal violates these policies, the SFHA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the SFHA determines that no such accommodation can be made, the SFHA may withdraw the approval of a particular service animal or assistance animal.

PART II

PET DEPOSITS AND FEES

10-II.A. OVERVIEW

This part describes the SFHA's policies for pet deposits.. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-II.B. PET DEPOSITS

Payment of Deposit

The SFHA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

SFHA Policy

- The SFHA has a no pet policy for family properties except in cases where the household had the pet registered with the Authority prior to October 1, 2015. Pet owners are required to pay a pet deposit in addition to any other required deposits. The amount of the deposit is \$100.00. This fee does not apply to service or assistance animals.

Refund of Deposit [24 CFR 5.318(d)(1)]

The SFHA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The SFHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

SFHA Policy

The resident must inform the Property Office that the pet has been removed from the unit within 15 calendar days of the removal. The SFHA will provide the resident with a written list of any charges against the pet deposit within 15 calendar days of the pet removal inspection. If the resident disagrees with the amount charged to the pet deposit, the SFHA will provide a meeting to discuss the charges.

The SFHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 calendar days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

10-II.C. OTHER CHARGES

Pet-Related Damages During Occupancy

SFHA Policy

All reasonable expenses incurred by the SFHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit

- Fumigation of the dwelling unit

- Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the SFHA's ability to impose charges for house pet rule violations. However, charges for violation of SFHA pet rules may be treated like charges for other violations of the lease and SFHA tenancy rules.

SFHA Policy

A separate pet waste removal charge of \$10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the SFHA may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

PART III

PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-III.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-III.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

SFHA Policy

SFHA has a no pet policy for family properties unless the household had the pet registered with the Authority prior to October 1, 2015. Pets must have been registered with the SFHA before they were brought onto the premises [24 CFR 960.707(b)(5)].

The tenant must sign a statement acknowledging that they have received and read the Pet Policy located in the Admissions and Continued Occupancy Policy and agrees to comply with it and accept any and all financial and personal liability associated with the personal pet ownership in the housing development.

Registration requires that Documentation be provided to verify all of the following: includes

- a. Current license
- b. Verification of health, proof of spay or neuter and current shot record in accordance with San Francisco local requirements, which includes but is not limited to a rabies vaccination, including parvovirus, distemper, hepatitis, leptospirosis, feline distemper, rhino tracheitis, calcivirus, and pneumonitis must be provided.
- c. Verification that the pet has no communicable disease(s) and is pest-free
- d. Color picture at time of application and again at adulthood
- e. A full color picture of aquarium, fish and description of fish types is required.
- f. Registration MUST be updated annually to be consistent with the annual recertification date;

Refusal to Register Pets

The SFHA will refuse to register a pet if:

The pet in a family development was not registered with the Authority prior to October 1, 2015.

The pet is not *a common household pet* as defined in Section 10-III.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The SFHA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the SFHA refuses to register a pet, a written notification will be sent to the pet owner within 15 calendar days of the SFHA's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the SFHA's grievance procedures.

Pet Agreement

SFHA Policy

Residents who have been approved to have a pet must enter into a pet agreement with the SFHA, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that they have received a copy of the SFHA's pet policy and applicable house rules, that they have read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that they understand that noncompliance with the SFHA's pet policy and applicable house rules may result in the withdrawal of SFHA approval of the pet or termination of tenancy.

10-III.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

SFHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the SFHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

SFHA's may not require pet owners to have any pet's vocal cords removed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize SFHAs to define the term [24 CFR 5.306(2)].

SFHA Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

- Reptiles
- Rodents
- Insects
- Arachnids
- Wild animals or feral animals
- Pot-bellied pigs
- Animals used for commercial breeding

Pet Restrictions

SFHA Policy

The following animals are not permitted:

Any animal whose adult weight will exceed 25 pounds

Any animal not permitted under state or local law or code

Number of Pets

SFHA Policy

Residents may own a maximum of two (2) pets, and one (1) fish aquarium.

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to ten (10) gallons.

Other Requirements

SFHA Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 calendar days of the pet reaching six (6) months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

A color photograph of the pet, except for fish, must be provided at the time of application and when the pet reaches adult size.

10-III.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with SFHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

SFHA Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried. They must be under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Cleanliness

SFHA Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the SFHA.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

SFHA Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

SFHA Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

SFHA Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage SFHA property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

SFHA Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the SFHA and sign a statement that they agree to abide by all of the pet rules. The resident must specify the time period for which they will be caring for the other residents pet.

Pets Temporarily on the Premises

SFHA Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the SFHA.

Pet Rule Violations

SFHA Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement. This includes:

- Pets left unattended for a period of twenty-four (24) hours or longer, wherein the SFHA may enter the dwelling unit to remove the pet;
- Management determines that the pet is not properly cared for;
- The pet presents a threat to the safety and security of other tenants, SFHA employees, contractors and others on the premises;
- The pet is destructive or causes an infestation;
- The pet disturbs other tenants for reasons including but not limited to noise, odor, cleanliness, and sanitation; or
- Tenant fails to re-validate the pet ownership permit as required in the Pet Ownership Policy.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served in accordance with Chapter 13 of this ACOP.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 30 calendar days from the effective date of the service of notice to cure the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the hearing.

That the pet owner's failure to correct the violation, request a grievance hearing, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy.

Pet Removal

SFHA Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the SFHA after reasonable efforts cannot contact the responsible party, the SFHA may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

SFHA Policy

The SFHA may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

SFHA Policy

The SFHA will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the SFHA to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

Chapter 11

COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring SFHAs to implement a community service program for all nonexempt adults living in public housing.

This chapter describes HUD regulations and SFHA policies related to these topics in two parts:

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.

Part II: SFHA Implementation of Community Service. This part provides SFHA policy regarding SFHA implementation and program design.

PART I

COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). SFHAs and residents must comply with the community service requirement, effective with SFHA fiscal years that commenced on or after October 1, 2000. Per 903.7(l)(1)(iii), the SFHA Plan must contain a statement of how the SFHA will comply with the community service requirement, including any cooperative agreement that the SFHA has entered into or plans to enter into.

Community service is 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. Community service is not employment and may not include political activities [24 CFR 960.601(b)].

In administering community service requirements, the SFHA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

11-I.B. REQUIREMENTS

Each adult resident of the SFHA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs)
- The required community service or self-sufficiency activity may be completed 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance. [Notice PIH 2015-12]

Definitions

Exempt Individual [24 CFR 960.601(b), Notice PIH 2015-12]

An *exempt individual* is an adult who:

- Is age 62 years or older
- Is blind or disabled (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability the individual is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

SFHA Policy

The SFHA will consider 30 hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- Is able to meet requirements of being exempted under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the SFHA is located, including a state-administered welfare-to-work program
- This exemption applies to anyone whose characteristics or family situation meet the welfare agency exemption criteria and can be verified.
- Is 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 welfare program of the state in which the SFHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program.

Community Service [24 CFR 960.601(b), Notice PIH 2015-12]

Community service is 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. Community service is not employment and may not include political activities.

Eligible community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving SFHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- SFHA housing to improve grounds or provide gardens (so long as such work does not alter the SFHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

SFHAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

SFHA Policy

Community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work will not be considered eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2015-12]

- For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families. Note: Per Notice PIH 2015-12, HUD has determined that the Supplemental Nutrition Assistance Program (SNAP) qualifies as a welfare program of the state. Therefore, if a tenant is a member of a family receiving assistance under SNAP, and has been found by the administering State to be in compliance with the program requirements, that tenant is exempt from the CSSR.

Eligible self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2015-12]

The SFHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for SFHA verification of exempt status. The SFHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, such as Attachment A of Notice PIH 2015-15, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease. The family must also sign a certification at annual reexamination, such as Attachment B of Notice PIH 2015-12, certifying that they understand the requirements.

SFHA Policy

The SFHA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request. The policy will notify the family that self-certification forms are subject to review by the PHA.

On an annual basis, at the time of lease renewal, the SFHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

The SFHA must review and verify family compliance with service requirements annually at least thirty (30) calendar days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

SFHA Policy

Where the lease term does not coincide with the effective date of the annual reexamination, the SFHA will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the SFHA will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

SFHA Policy

At least 60 calendar days prior to lease renewal, the SFHA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the SFHA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the SFHA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The SFHA must review resident family compliance with service requirements annually at least 30 calendar days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the SFHA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

SFHA Policy

Approximately 60 calendar days prior to the end of the lease term, the SFHA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 15 calendar days to submit the SFHA required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or SFHA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status between Annual Determinations

SFHA Policy

Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the twelve month lease term, it is the family's responsibility to report this change to the SFHA within 15 calendar days.

Within 15 calendar days of a family reporting such a change, or the SFHA determining such a change is necessary, the SFHA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

Determination of Initial Compliance

When an adult family member becomes subject to community service, they must perform 8 hours of community service for the months they are subject to the requirement before the end of the lease term (anniversary date).

Nonexempt to Exempt Status

If a nonexempt person becomes exempt during the twelve month lease term, it is the family's responsibility to report this change to the SFHA within 15 calendar

days. Any claim of exemption will be verified by the SFHA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 15 calendar days of a family reporting such a change, or the SFHA determining such a change is necessary, the SFHA will provide the family written notice that the family member is no longer subject to the community service requirement, if the SFHA is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c) (4), 960.607, Notice PIH 2016-06]

The SFHA must retain reasonable documentation of service requirement performance or exemption in participant files.

Documentation and Verification of Exemption Status

SFHA Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The SFHA will provide a completed copy to the family and will keep a copy in the tenant file.

The SFHA will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The SFHA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the SFHA's determination, s/he can dispute the decision through the SFHA's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the SFHA of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2015-12].

If qualifying community service activities are administered by an organization other than the SFHA, a family member who is required to fulfill a service requirement must provide documentation required by the SFHA. The SFHA may require a self-certification or certification form a third party. [24 CFR 960.607].

If the SFHA accepts a self-certification of compliance with the community service requirement, it must provide a form which includes a statement that the client performed the required hours, contact information for the community service provider, a description of activities performed and dates of service.

If the SFHA accepts a self-certification, it must validate a sample of certification through third-party documentation using the sample sizes listed in Attachment C of Notice PIH 2016-06. The SFHA must notify families that self-certification forms are available and that a sample of self-certifications will be validated. HUD strongly encourages PHAs to investigate community service compliance when there are questions of accuracy.

SFHA Policy

Each individual who is subject to the community service requirement will be required to record their community service or self-sufficiency activities and the number of hours

contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the SFHA, upon request by the SFHA at least annually.

If the SFHA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the SFHA has the right to require third-party verification.

11-I.E. NONCOMPLIANCE

Noncompliant Residents

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

SFHA may not evict a family due to CSSR noncompliance. However, if the SFHA finds a tenant is noncompliant with CSSR, the PHA must provide written notification to the tenant of the noncompliance which must include:

- A brief description of the finding of non-compliance with CSSR
- A statement that the PHA will not renew the lease at the end of the current 12 month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement. [24 CFR 960.607(c), Notice PIH 2015-12].

The notice must also state that the tenant may request a grievance hearing on the SFHA's determination, in accordance with the SFHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the SFHA's nonrenewal of the lease because of the SFHA's determination.

SFHA Policy

The notice of initial noncompliance will be sent at least 45 calendar days prior to the end of the lease term.

The family will have 15 calendar days from the date of the notice of noncompliance to enter into a written work-out agreement to cure the noncompliance over the 12 month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the SFHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the SFHA will terminate tenancy in accordance with the policies in Section 13-IV.D.

Continued Noncompliance and Enforcement Documentation [24 CFR 960.607(b)]

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, PHAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease (24 CFR 966.53 (c)) for failure to comply with the lease requirements. When initiating termination of tenancy proceedings, the PHA will provide the following procedural safeguards:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross examine witnesses and present any affirmative legal or equitable defense which the tenant may have, and;
- A decision on the merits

SFHA Policy

Notices of continued noncompliance will be sent at least 30 calendar days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 15 calendar days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the SFHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART II

IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

Each SFHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the SFHA's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

SFHA Implementation of Community Service

The SFHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by SFHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

SFHA Policy

The SFHA will notify its insurance company if residents will be performing community service at the SFHA. In addition, the SFHA will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the SFHA will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

SFHA Program Design

The SFHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

SFHA Policy

The SFHA will attempt to provide the broadest choice possible to residents as they choose community service activities.

The SFHA's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The SFHA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The SFHA will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the SFHA will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the SFHA Plan.

The SFHA will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.

When the SFHA has a ROSS program, a ROSS Service Coordinator, or an FSS program, the SFHA will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with SFHA coordinators will satisfy community service activities and SFHA coordinators will verify community service hours within individual monthly logs.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving SFHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- SFHA housing to improve grounds or provide gardens (so long as such work does not alter the SFHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

Note: Political activity is excluded.

Self-Sufficiency Activities – self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), , or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Exempt Adult – an adult member of the family who meets any of the following criteria:

- Is 62 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability they are unable to comply with the service provisions, or is the primary caretaker of such an individuals
- Is engaged in *work activities*
- Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the SFHA is located, including a state-administered welfare-to-work program; or
- Is 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 welfare program of the state in which the SFHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program.
- SFHA can use reasonable guidelines in clarifying the work activities in coordination with TANF, as appropriate.

Work Activities – as it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.
2. At least eight (8) hours of activity must be performed each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance.
3. Family obligation:
 - At lease execution, all adult members (18 or older) of a public housing resident family must:
 - Sign a certification (Attachment A) that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease; and
 - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
 - Upon written notice from the SFHA, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.
 - If a family member is found to be noncompliant at the end of the 12-month lease term, the party, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.
 - At annual recertification, the family must also sign a certification certifying that they understand the community service requirement.
4. Change in exempt status:
 - If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the SFHA and provide documentation of exempt status.
 - If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the SFHA. Upon receipt of this information the SFHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the SFHA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
 - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The SFHA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the SFHA will verify the exemption status in accordance with its verification policies. The SFHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the SFHA's grievance procedure if they disagree with the SFHA's determination.
4. Noncompliance of family member:
 - At least thirty (30) calendar days prior to the end of the 12-month lease term, the SFHA will begin reviewing the exempt or nonexempt status and compliance of family members;
 - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the SFHA finds the family member to be noncompliant, the SFHA will not renew the lease unless:
 - The head of household and any other noncompliant resident enter into a written agreement with the SFHA, to make up the deficient hours over the next twelve (12) month period; or
 - The family provides written documentation satisfactory to the SFHA that the noncompliant family member no longer resides in the unit.
 - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the SFHA that the noncompliant family member no longer resides in the unit;
 - The family may use the SFHA's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

Resident

Date

Resident

Date

Resident

Date

Resident

Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(I) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: SFHA Determination of exemption for COMMUNITY SERVICE
--

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the SFHA's community service requirement for the following reason:

- ☐ 62 years of age or older (*Documentation of age in file*)
- ☐ Is a person with disabilities and self-certifies below that they are unable to comply with the community service requirement (*Documentation of HUD definition of disability in file*)

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

_____	_____
Signature of Family Member	Date

- ☐ Is the primary caretaker of such an individual in the above category. (*Documentation in file*)
- ☐ Is engaged in work activities (*Verification in file*)
- ☐ Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the SFHA is located, including a state-administered welfare-to-work program (*Documentation in file*)
- ☐ Is 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 welfare-to-work program and the supplemental nutrition assistance program (SNAP) of the state and has not been found by the state or other administering entity to be in noncompliance with such program (*Documentation in file*)

_____	_____
Signature of Family Member	Date

_____	_____
Signature of SFHA Official	Date

EXHIBIT 11-4: CSSR WORK-OUT AGREEMENT
--

Date: _____

Noncompliant Adult: _____

Adult family member: _____

Community Service & Self-Sufficiency Requirement (CSSR):

Under Section 12 of the U.S. Housing Act, the San Francisco Housing Authority (SFHA) is required to enforce the community service and self-sufficiency requirement (CSSR). Under the CSSR, each nonexempt adult family member residing in public housing must perform 8 hours per month of community service or self sufficiency activities.

Noncompliance: The SFHA has found that the nonexempt individual named above is in noncompliance with the CSSR. This work-out agreement is the PHA's written notification to you of this noncompliance.

Our records show that for the most recent lease term you were required to perform _____ hours of CSSR activities. However, there were _____ hours of verified CSSR activities. Therefore, you are in noncompliance for _____ hours.

The SFHA will not renew the lease at the end of the current 12-month lease term unless the head of household and noncompliant adult sign a written work-out agreement with the SFHA or the family provides written assurance that is satisfactory to the SFHA explaining that the noncompliant adult no longer resides in the unit. The regulations require that the work-out agreement include the means through which a noncompliant family member will comply with the CSSR requirement. [24 CFR 960.607(c), Notice PIH 2015-12]. The terms of the CSSR work-out agreement are on the reverse side of this page.

Enforcement: Should a family member refuse to sign this CSSR work-out agreement, or fail to comply with the terms of this CSSR work-out agreement, or fail to provide satisfactory written assurance that the noncompliant adult no longer resides in the unit, the SFHA is required to initiate termination of tenancy proceedings at the end of the current 12-month lease [24 CFR 966.53(c)].

Terms of CSSR Work-Out Agreement

Noncompliant Adult: _____

Please check one of the below boxes:

- ☐ I, _____ [head of household or spouse/cohead] certify that the noncompliant adult named above no longer resides in the unit. [Verification attached.]
- ☐ I, the noncompliant adult named above, agree to complete _____ hours in the upcoming 12-month lease term. These hours include the _____ hours not fulfilled in the most previous lease term, plus the 96 hours for the upcoming lease term.

Below is a description of means through which I will comply with the CSSR requirement:

	Description of Activity	Number of Hours
1.		
2.		
3.		
4.		
5.		
	Total Hours	

SIGNED AND ATTESTED THIS DATE

Signature: _____ Date: _____

Head of Household

Signature: _____ Date: _____

Noncompliant Adult, if other than Head of Household

Signature: _____ Date: _____

SFHA Official

Chapter 12

TRANSFER POLICY

INTRODUCTION

This chapter explains the SFHA's transfer policy, based on HUD regulations, HUD guidance, and SFHA policy decisions.

This chapter describes HUD regulations and SFHA policies related to transfers in three parts:

Part I: Transfers. This part provides an overview of Transfers..

Part II: Emergency Transfers. This part describes emergency transfers and emergency transfer procedures.

Part III: Non-Emergency Transfers. This part describes types of transfers that may be required by the SFHA, requested by the residents, eligibility requirements, and processing.

The SFHA may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The SFHA must have specific policies in place to deal with acceptable transfer requests.

PART I: TRANSFERS

12-I.A. OVERVIEW

The SFHA does not transfer any family to any particular apartment, community, neighborhood or development because of race, color, sex, religion (creed), disability, familial status, national origin, ancestry, sexual orientation, marital status, source of income, or age.

Site managers shall administer occupancy transfers in such a manner as to minimize vacancy loss, minimize the time families are over housed or under housed (as determined under the SFHA's occupancy guidelines), and still provide housing opportunities for new admissions.

Transfers, whether to a SFHA owned unit or to non-SFHA owned accommodations, shall not be deemed to waive an existing breach of the Rental Agreement by the Resident; and the SFHA may pursue, or continue to pursue, any legal action and remedy against the Resident as if no transfer had been made.

12-I.B. TYPES OF TRANSFERS

There are two types of transfers, Emergency and Non-Emergency. Depending on the reasons for transfer, each transfer may also be required or requested.

12-I.C. HANDLING OF REQUESTS

SFHA Policy

Eligibility for transfers are specified in the corresponding sections.

The Public Housing Director or his/her designee will determine the appropriate category of transfer and render a decision within fourteen (14) business days of its receipt. Each transfer category requires specific documentation to meet specific eligibility criteria.

The Client Placement Department will document notification and will place the applicant on the appropriate Transfer Waiting List. Applicants will be placed on the appropriate Transfer Waiting List when documentation and eligibility criteria are met. Once the applicant is on the appropriate Transfer Waiting List, the Client Placement Department will send a status letter to the family (confirmation of Transfer Waiting List placement)

If the Public Housing Director or his/her designee does not approve the transfer request, the family will be informed in writing of the specific reason(s) and provided the opportunity to appeal the decision. Appeals must be initiated with the Property Manager within 14-business days from receipt of notice. If the SFHA upholds its decision to deny

the transfer request, the resident has the right to request a Fair Hearing as outlined in the *Grievance Policy* located in Chapter 14 of this ACOP.

PART II: EMERGENCY TRANSFERS

12-II.A. EMERGENCY TRANSFERS

The following is considered an emergency circumstance warranting an immediate transfer of the tenant or family:

Maintenance Conditions

Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health or safety of the resident or family members that cannot be repaired or abated within 24 hours, make the unit uninhabitable and were not caused by the resident family or their guest. Examples of an uninhabitable unit may include a unit affected by a flood, fire, and natural disaster.

Verified Medical Condition

To alleviate a doctor verified medical condition which is imminently life threatening or seriously impairs the health of the Resident or a Household Member (i.e. lead poisoning or amputation); or

Threat of Real and Imminent Criminal Attack

To protect a Resident or a Household Member from a factually verifiable or documented threat of real and imminent criminal attack that is specifically directed towards that Resident, Household Member or other occupant of the Residence. In making such a determination, the Executive Director or designee may consider facts and circumstances including, but not limited to, recommendations by the District Attorney or a sworn peace officer with a rank equivalent to an SFPD Detective II or higher attesting to the factual need for a transfer.

Domestic Violence, Dating Violence, Sexual Assault, or Stalking. A resident or household member reasonably believes that they are threatened with imminent physical or emotional harm due to their being a victim of domestic violence, dating violence, sexual assault or stalking, or in the case of a tenant who is the victim of sexual assault, the sexual assault occurred on the premises during the 180 day period preceding the request for transfer. Any of the following are sufficient to document the domestic violence, dating violence, sexual assault or stalking: (1) a certification form consistent with the form HUD-50066; (2) a document signed under penalty of perjury by the tenant and a staff/volunteer of a victim service provider, an attorney, or a medical/mental health professional from whom the tenant has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking; (3) a record of a public law enforcement

agency, court or administrative agency; or (4) a statement or other evidence provided by the tenant in accordance with 42 U.S.C. § 14043-11(c)(3).

Demolition, Disposition, Revitalization, or Rehabilitation Transfers

These transfers permit the SFHA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

SFHA Policy

The SFHA will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The SFHA's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under the Uniform Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

Civil Rights Violation: Pattern of Physical and/or Extreme or Repeated Verbal Harassment

An SFHA tenant who is the victim of physical harassment and/or extreme or repeated verbal harassment, which cannot be remedied in other ways, such as by SFHA, eviction of the people responsible for harassment or other action, may qualify for a transfer to another unit within the development or to another SFHA development, or other appropriate subsidized housing program.

The SFHA will not approve an emergency transfer if the transfer will not resolve the emergency situation. If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the SFHA must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

An emergency transfer is a transfer determined at the sole discretion of the Executive Director, or his/her designee and will be reviewed on a case by case basis.

12-II.B. REQUEST AND APPROVAL OF EMERGENCY TRANSFERS

SFHA Policy

Except as provide below, all emergency transfer requests made by or on behalf of a

Resident and all law enforcement recommendations shall be made in writing and submitted to the Property Office. Upon receipt of a request and all other required documentation, the SFHA employee in receipt of the request shall immediately forward the relevant paperwork to the Public Housing Director or his/her designee for a decision.

In cases of extreme emergency, verbal requests, verbal recommendations and the verbal rendering of facts may be made directly to the Executive Director or his/her designee by law enforcement upon which the Executive Director or his/her designee may act, provided that verbal assurances from law enforcement that all written documentation supporting the transfer will be submitted within 48 hours.

12-II.C. EMERGENCY TRANSFER LOCATIONS

SFHA Policy

The SFHA shall have sole discretion in determining whether an emergency transfer shall be a temporary housing accommodation and whether the transfer is permanent.

12-II.D. EMERGENCY TRANSFER PLACEMENT

SFHA Policy

Emergency transfers have priority over all other transfers with verified medical needs having the highest priority. Those approved for an emergency transfer shall be concurrently offered one unit, if available, of suitable bedroom size at one different development. The developments containing the unit offered, shall be that with the most vacancies that meet the family's bedroom requirements, except units within the development that the family currently occupies shall not be offered or counted as being offered. The family will have no more than five (5) calendar days to inspect the units and accept an offer. Should the family accept the offer, the family will have seven (7) calendar days from the date of acceptance to completely vacate the unit being transferred from and move into the unit being transferred to. The SFHA will determine when the unit is ready for move in. If the unit is not yet ready at the time of acceptance, then the family shall have seven (7) calendar days from the time the unit is ready for occupancy to move in. Failure to do so will be deemed to have rejected the emergency transfer offer. Should the family fail to affirmatively accept the offer without good cause, the Resident will be deemed to have rejected the offer and the SFHA shall have no further obligation to offer additional units.

12-II.E. EMERGENCY CAUSED BY RESIDENT, HOUSEHOLD MEMBER, OR GUEST OF RESIDENT'S FAMILY

If the SFHA determines that the Resident, Household Member, or a guest of the Resident's family created or caused the emergency, the Resident shall reimburse the SFHA for any and all costs connected with the move.

PART III: NON-EMERGENCY TRANSFERS

12-III.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the SFHA to develop reasonable transfer policies. The only requests that SFHA is required to consider are requests for reasonable accommodation. All other transfer request are at the discretion of SFHA.

SFHA Policy

A non-emergency transfer is any transfer other than an emergency transfer, and which the Rental Agreement and this policy authorize. If a resident has a balance with the SFHA at the time that a transfer request is made, the request will be denied unless it is designated an “emergency”. If a resident has a balance with the SFHA at any time after the request has been made and accepted by the SFHA, the resident will not be offered a unit until the balance is paid in full. There are two categories of non-emergency transfers:

Administrative Non-Emergency Transfers:

Required by the SFHA to adjust unit occupancy in accordance with the SFHA’s Occupancy Guidelines;

Required due to an approved reasonable accommodation request;

Required by the SFHA due to proposed demolition, repair, alteration, rehabilitation or modernization of the unit;

Otherwise required by law

Standard Non-Emergency Transfers:

Requested by a Resident for employment reasons rationally related to the transfer and duly verified by the applicable Resident’s or Household Member’s employer;

Requested by a Resident for verified medical reasons other than those subject to the SFHA’s policies regarding reasonable accommodations;

Administrative Non-Emergency Transfers required by the SFHA are mandatory for the tenant.

All Standard Non-Emergency Transfers will be based on unit availability.

Unless agreed to by the SFHA in writing and at the time of the transfer, all non-emergency transfers shall be permanent.

12-III.B. ELIGIBILITY FOR STANDARD NON-EMERGENCY TRANSFER

The SFHA may establish standards for considering a transfer request. [PH Occ GB, p. 150].

SFHA Policy

All Resident requested transfers shall be in writing and submitted to the site management office on a designated form, which shall be available online at www.sfha.org and in hard copy at 1815 Egbert Avenue, San Francisco, California 94124. The SFHA will accept all Standard Non-Emergency Transfer for placement on the appropriate transfer list unless the Resident:

Or any Household Member has a record of creating a nuisance, disturbing any other resident or interfering with staff;

Currently owes back rent or other charges;

Is under the threat of eviction;

Is under the initial term of a lease;

Has a poor payment record (a “poor payment record” means the Resident has failed to pay all rent on or before the fifth of each and every month or has failed to pay all charges when due); or

Has failed a housekeeping inspection.

The Public Housing Director or his/her designee may waive the one year residency requirement to reduce vacancies.

12-III.C. APPROVAL OF STANDARD NON-EMERGENCY TRANSFER

When the Resident reaches the top of a site transfer list, a vacancy exists at the site, and the site manager where the unit exists determines that the SFHA will fill such vacancy by

a transfer, that site manager shall review the Resident's documented tenant history only over the immediately preceding twelve months. The site manager shall approve the transfer if the Resident is eligible under the terms of this Chapter.

Should the site manager approve the transfer, the SFHA will offer the Resident the unit. If the Resident accepts the offer, the Resident will be dropped from all transfer lists. Should the Resident refuse to accept the unit the SFHA will skip over the Resident without affecting the Resident's placement on the transfer list. However, if the Resident refuses a second offer at a different site, the resident shall be dropped from the transfer list.

Within fourteen (14) business days after disapproving the transfer, the SFHA shall notify the Resident in writing as to the reasons for the disapproval and the action taken. Additionally, such notice shall inform the Resident of their rights to grieve the SFHA's decision in accordance with the SFHA's grievance policy.

If a non-emergency resident requested transfer is approved, the resident may not request another non-emergency transfer for five years.

12-III.D. ADMINISTRATIVE NON-EMERGENCY TRANSFERS:

HUD regulations regarding transfers are minimal, leaving it up to the SFHA to develop reasonable transfer policies.

The SFHA may require that a resident transfer to another unit under some circumstances. For example, SFHA may require a resident to transfer to make an accessible unit available to a disabled family. The SFHA may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, the SFHA may transfer residents in order to demolish or renovate the unit.

SFHA Policy

When the Resident reaches the top of a site transfer list, a vacancy exists at the site, and the site manager at the site where the unit exists determines that the SFHA will fill such vacancy by transfer, that site manager shall offer to transfer the Resident to the unit. Should the Resident refuse to transfer, the SFHA will seek to terminate the Resident's tenancy in accordance with the *Rental Agreement*. The types of transfers that may be required by SFHA, include, but are limited to the following:

Transfers to Make an Accessible Unit Available

When a family is initially given an accessible unit, but does not require the accessible features, the SFHA may require the family to move to a non-accessible unit when it

becomes available [24 CFR 8.27(b)]. The family shall be informed at the time the unit is offered that they may be required to move for the foregoing reason and shall be permitted to refuse said unit without any penalty or prejudice to the family's application or place on the waiting list.

SFHA Policy

When a non-accessible unit becomes available, the SFHA will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. The SFHA may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

Occupancy Standards Transfers

The SFHA may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to SFHA policy [24 CFR 960.257(a)(4)]. On some occasions, the SFHA may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

SFHA Policy

SFHA will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

Overcrowded: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

Over-housed: the family no longer qualifies for the bedroom size in which they are living based on the SFHA's occupancy standards as described in Section 5-I.B.

The SFHA may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on the SFHA's occupancy standards, when the SFHA determines there is a need for the transfer.

A family that is required to move because of family size will be advised by the SFHA that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Within thirty (30) calendar days of a Household Member ceasing to reside within the Residence, a member of the remaining household shall report such occurrence to the SFHA.

12-III.E. NON-EMERGENCY TRANSFER LIST PRIORITY AND PLACEMENT

SFHA Policy

Except as required or limited by law, the priority of transfers shall be:

Those required as a result of demolition, disposition repair, alteration, rehabilitation or modernization of units and then by those requested to alleviate medical conditions.

Required transfer when a family is initially given an accessible unit, but does not require the accessible features, the SFHA may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

Required transfers shall have priority over requested transfers.

Required transfers shall have precedence over new admissions.

Required transfers shall be placed on the transfer list in order of the date and time that Management first determines the transfer is required.

Resident requested transfers, which meet the prerequisite requirements, shall be placed on the transfer list in order of the date and time the SFHA accepts the Resident submits the request and any required supporting documentation.

The transfer list shall be current at all times for requested and required transfers, except transfers adjusting occupancy which the SFHA shall update at the time of the annual review or recertification.

The following chart provides the order that vacant units are filled. It can also be found in section 4-III.B:

Public Housing Resident Transfer List Preferences

(Order of Moves)

--	--

Reasonable Accommodations	Exhaust list
Emergency Transfers	First 5
Waiting List in Order of Preference	Next 5

Note: The SFHA has the discretion to move non-emergency, administrative transfers as deemed necessary.

Chapter 13

LEASE TERMINATIONS

INTRODUCTION

Either party to the dwelling lease agreement may terminate the lease in accordance with the terms of the lease. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program. The SFHA has the authority to terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations also specify when termination of the lease is mandatory by the SFHA.

When determining SFHA policy on terminations of the lease, the SFHA must consider state and local landlord-tenant laws in the area where the SFHA is located. Such laws vary from one location to another, and these variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern voluntary termination of the lease by the family and the mandatory and voluntary termination of the lease by the SFHA. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the SFHA requirements for voluntary termination of the lease by the family.

Part II: Termination by SFHA - Mandatory. This part describes circumstances when termination of the lease by the SFHA is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by SFHA – Other Authorized Reasons. This part describes the SFHA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes SFHAs to terminate. For some of these options HUD requires the SFHA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the SFHA has full discretion whether to consider the options as just cause to terminate as long as the SFHA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the SFHA may consider in lieu of termination, and the criteria the SFHA will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and SFHA policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

PART I: TERMINATION BY TENANT

13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the property site office or the SFHA central office or sent by pre-paid first-class mail, properly addressed.

SFHA Policy

If a family desires to move and terminate their tenancy with the SFHA, they must give at least 30 calendar days advance written notice to the SFHA of their intent to vacate. When a family must give less than 30 calendar day notice due to circumstances beyond their control the SFHA, at its discretion, may waive the 30 calendar day requirement.

The notice of lease termination must be signed by the head of household, spouse, or co head.

PART II: TERMINATION BY SFHA – MANDATORY

13-II.A. OVERVIEW

HUD requires mandatory termination of the lease for certain actions or inactions of the family. There are other actions or inactions of the family that constitute grounds for lease termination, but the lease termination is not mandatory. The SFHA must establish policies for termination of the lease in these cases where termination is optional for the SFHA.

For those tenant actions or failures to act where HUD requires termination, the SFHA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the SFHA to terminate the lease.

An arrest must be substantiated by a supporting document of criminal activity. Arrest records or police reports will not be used as the sole basis for evicting tenants.

13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The SFHA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The SFHA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the SFHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

13-II.D. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3), Notice PIH 2012-10]

The SFHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the SFHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the SFHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the SFHA determined the family to be noncompliant.

SFHA Policy

The SFHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

See Chapter 7 for a complete discussion of documentation and certification requirements.

13-II.E. FAILURE TO ACCEPT THE SFHA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The SFHA must terminate the lease if the family fails to accept the SFHA's offer of a lease revision to an existing lease, provided the SFHA has done the following:

- The revision is on a form adopted by the SFHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The SFHA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The SFHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The SFHA must immediately terminate the lease if the SFHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing. The SFHA will immediately terminate the lease if the SFHA determines that a household member is or has manufactured or produced methamphetamine on the premises of federally-assisted housing.

See Part 13-III.B. below for the HUD definition of *premises*.

13-II.G. LIFETIME REGISTERED SEX OFFENDERS [Notice PIH 2012-28]

Should the SFHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the SFHA must immediately terminate assistance for the household member.

In this situation, the SFHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the SFHA must terminate assistance for the household.

SFHA Policy

The SFHA will provide a 30 Day Notice to Cure or Quit to a household whose address is being used as a mailing address by a registered sex offender. It is the household's responsibility to ensure that their address is not being used by a sex offender pursuant their lease agreement. Absent proof within 30 calendar days that the address has been changed, the SFHA will pursue an eviction action against the household.

13-II.H. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]

The SFHA is prohibited from renewing the lease at the end of the 12 month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

13-II.I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2012-04]

The SFHA must terminate the lease following the death of the sole family member. .

PART III: TERMINATION BY SFHA – OTHER AUTHORIZED REASONS

13-III.A. OVERVIEW

Besides requiring SFHAs to terminate the lease under the circumstances described in Part II, HUD requires the SFHA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require SFHAs to terminate for such violations in all cases. The SFHA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the SFHA may, as an alternative to termination, require the exclusion of the culpable household member. The SFHA must adopt policies concerning the use of these options.

In addition, HUD authorizes SFHAs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or for other good cause. The SFHA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the SFHA lease. In the development of the terms of the lease, the SFHA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords SFHAs wide discretion in some areas, a broad range of policies could be acceptable.

The SFHA, with some restrictions, also has the option to terminate the tenancies of families who are over income.

The SFHA may consider alternatives to termination and must establish policies describing the criteria the SFHA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the SFHA must take when terminating a family's lease.

13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require SFHAs to terminate for such violations in all cases, therefore SFHA policies are needed.

***Definitions* [24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

Affiliated individual is defined in Exhibit 16-1.

Covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Dating violence is defined in section 3-III.F.

Domestic violence is defined in section 3-III.F.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

Guest means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

Household means the family and SFHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

Other person under the tenant's control means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Premises means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Sexual assault is defined in section 16-VII.B.

Stalking is defined in section 3-III.F.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that drug-related criminal activity engaged in, on or off, the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

SFHA Policy

The SFHA will terminate the lease for drug-related criminal activity engaged in, on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in or on the premises by any other person under the tenant's control.

The SFHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that a SFHA may evict a family when the SFHA determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

SFHA Policy

The SFHA will terminate the lease when the SFHA determines that a household member is illegally using a drug or the SFHA determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous twelve months.

The SFHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including SFHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises are grounds for termination of tenancy.

SFHA Policy

The SFHA will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including SFHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The SFHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Firearm Policy

The SFHA has an important and substantial interest in protecting the health, safety, and welfare of its residents, their guests, its employees, and the public at large while on SFHA property. While Public Housing residents have a second amendment right to bear legal firearms in their public housing unit, the SFHA may place reasonable restrictions on these rights for the safety of others.

SFHA Policy

The SFHA will allow lawful ownership, lawful possession and lawful transportation of firearms, ammunition, weapons and other lawful items and devices for which proper registration and/or permits are provided.

Any tenant in lawful possession of a firearm must:

- (1) Obtain a “Firearm Safety Certificate” issued by the California Department of Justice (“DOJ”). The “Firearm Safety Certificate” demonstrates basic familiarity with those firearms, including but not limited to, the safe handling and storage of those firearms. Proof of exemption pursuant to California Penal Code section 31700 must be provided if the Firearm Safety Certification was not obtained.

- (2) Provide a safe storage space, with a lock, for the lawful firearm;
- (3) Provide proof of a firearm safety course having occurred within 90 calendar days of having received the firearm safety certificate; and
- (4) Not sell the firearm unless conducted through a fully licensed California arms dealer.

The “Firearm Safety Certificate”; proof of safe storage and proof of having completed a firearm safety course are required to be submitted to the property office within 100 days of receipt of the Firearm Safety Certificate. These documents shall be stored in the tenant file.

A resident, guest, employee or any other individual or group do not have the right to possess and/or use firearms in the common area of any public housing development. A resident must make available a copy of any permit required by state, federal, or local law upon request when there is reasonable cause to believe that the law or the firearms policy has been violated.

Residents may not carry a concealed firearm on their person in public unless they have a valid Carry Concealed Weapon (CCW) license. CCW licenses are issued only by a California county sheriff to residents of the county, or the chief of police to residents of the city. California law does not honor or recognize CCW licenses issued outside this state. (Pen. Code sections 25400-25700, 26150-26225.)

The SFHA has a zero tolerance policy for unlawful weapons and will take strict lease enforcement action against any tenant found in unlawful possession of firearms in accordance with this Chapter.

In the event that a firearm is stolen, the resident who is the legal owner must file a police report and provide a copy of the report, or the incident report number to the SFHA property manager within five (5) calendar days of the theft.

Illegal possession, use or sale of a firearm will result in a 3 day notice to the household. Removal of the party who had the illegal possession, use or sale of the firearm will not terminate eviction proceedings against the household.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

SFHAs must establish standards that allow termination of tenancy if the SFHA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

SFHA Policy

The SFHA will terminate the lease if the SFHA determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous twelve months.

The SFHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]

SFHAs must establish standards that allow termination of tenancy if the SFHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

SFHA Policy

The SFHA will terminate the lease if the SFHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The SFHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking [Pub.L. 109-162].

SFHA Policy

The SFHA will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Three late payments within a 12 month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the SFHA for the benefit and well-being of the housing project and the tenants which shall be posted in the property office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes SFHAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as “other good cause.”

Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the SFHA may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the SFHA to only those examples. The Violence against Women Reauthorization Act of 2013 explicitly prohibits the SFHA from considering incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking as “other good cause” for terminating the assistance, tenancy, or occupancy rights of the victim or threatened victim of such violence [24 CFR 5.2005(c)(1

SFHA Policy

The SFHA will terminate the lease for the following reasons.

Fugitive Felon or Parole Violator. If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery of facts after admission to the program that would have made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with a reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the SFHA to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the SFHA that such a dwelling unit is available

Failure to permit access to the unit by the SFHA after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the SFHA of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 15 calendar days of the event.

Failure to abide by the provisions of the SFHA pet policy

If the family has breached the terms of a repayment agreement entered into with the SFHA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward SFHA personnel.

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

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

In making its decision to terminate the lease, the SFHA will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the SFHA may, on a case-by-case basis, choose not to terminate the lease.

Family Absence from Unit [24 CFR 982.551(i)]

It is reasonable that the family may be absent from the public housing unit for brief periods. Absence in this context means that no member of the family is residing in the unit.

SFHA Policy

The family must supply any information or certification requested by the SFHA to verify that the family is living in the unit, or relating to family absence from the unit, including any SFHA-requested information or certification on the purposes of family absences. The family must cooperate with the SFHA for this purpose.

The family must promptly notify the SFHA when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. In such a case promptly means within 15 calendar of the start of the extended absence.

If a family is absent from the public housing unit for more than 180 consecutive days, and the family does not adequately verify that they are living in the unit, the SFHA will terminate the lease for other good cause.

Abandonment of the unit. If the family appears to have vacated the unit without giving proper notice, the SFHA will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the SFHA will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families [24 CFR 960.261 and FR 11/26/04, p. 68786]

Subject to certain restrictions, HUD authorizes SFHAs to evict or terminate the tenancies of families because they are over income. Unless required to do so by local law, the SFHA may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require SFHAs to evict over-income residents, but rather gives SFHAs the discretion to do so thereby making units available for applicants who are income-eligible.

SFHA Policy

The SFHA will not evict or terminate the tenancies of families solely because they are over income.

13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the SFHA may consider exclusion of the culpable household member. Such an alternative can be used for any other reason where such a solution appears viable in accordance with SFHA policy.

Additionally, under the Violence Against Women Reauthorization Act of 2013, the SFHA may bifurcate a lease in order to terminate the tenancy of an individual who is a tenant or lawful occupant of a unit and engages in criminal activity directly related to domestic violence, dating violence, sexual assault or stalking.

SFHA Policy

The SFHA will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon SFHA request.

Repayment of Family Debts

SFHA Policy

If a family owes amounts to the SFHA, as a condition of continued occupancy, the SFHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 calendar days of receiving notice from the SFHA of the amount owed. See Chapter 16 for policies on repayment agreements.

13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

Although the SFHA has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the SFHA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

SFHA Policy

The SFHA will use the preponderance of the evidence as the standard for making all termination decisions.

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

Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the SFHA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

SFHA Policy

The SFHA will consider the following factors before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

- The seriousness of the offending action, especially with respect to how it would affect other residents

- The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, sexual assault or stalking

- The effects that the eviction will have on other family members who were not involved in the action or failure to act

- The effect on the community of the termination, or of the SFHA's failure to terminate the tenancy

- The effect of the SFHA's decision on the integrity of the public housing program

- The demand for housing by eligible families who will adhere to lease responsibilities

- The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

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

- In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family

Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]

HUD authorizes SFHAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

SFHA Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the SFHA will consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program.

For this purpose the SFHA will require the tenant to submit evidence of the household member's successful completion of, a supervised drug or alcohol rehabilitation program.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the SFHA's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

SFHA Policy

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

Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]

The SFHA's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13-III.F. PROHIBITION AGAINST TERMINATING TENANCY OF VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [24 CFR 5.2013]

The Violence Against Women Reauthorization Act of 2013 (VAWA), provides that “criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or affiliated individual of the tenant is a victim or threatened victim of that violence or abuse” [42 U.S.C.A. § 14043e-11(b)(3)(A)].

VAWA provides that no person may deny assistance, tenancy, or occupancy rights to public housing to a tenant solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or affiliated individual is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking [FR Notice 8/6/13].

VAWA further provides that incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed either as serious or repeated violations of the lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

Definitions

For the definitions of *domestic violence*, *dating violence*, *sexual assault stalking*, and *immediate family member*, see section 3-III.F.

VAWA and Other Laws [24 CFR 5.2009, 24 CFR 5.2005(d)]

VAWA does not supersede any other federal, state, or local law that provides greater protection to victims of domestic violence, dating violence, sexual assault or stalking.

Moreover, VAWA does not limit the SFHA’s duty to honor court orders issued to protect a victim or to address the distribution of property when a family breaks up.

Limits on VAWA Protections [24 CFR 5.2005(b), 24 CFR 5.2005(e)]

While VAWA prohibits a SFHA from using domestic violence, dating violence, sexual assault or stalking as the cause for a termination or eviction action against a public housing tenant who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit a SFHA’s otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, sexual assault or stalking providing that the SFHA does not subject the victim to a more demanding standard than other tenants.

- VAWA does not limit a SFHA's authority to terminate the tenancy of any public housing tenant if the SFHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated.

SFHA Policy

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, sexual assault or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the SFHA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the tenant wishes to contest the SFHA's determination that they are an actual and imminent threat to other tenants or employees, the tenant may do so as part of the grievance hearing or in a court proceeding.

Victim Notification [Notice PIH 2006-42]

VAWA requires SFHAs to notify tenants of their rights under VAWA and to inform them about the existence of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking. (For general VAWA notification policies, see section 16-VII.) Notice PIH 2006-42 identifies two ways that a SFHA may fulfill this requirement in the event of a termination or start of an eviction proceeding:

- It may enclose the form with the termination or eviction notice and direct the family to complete, sign, and return the form, if applicable, by a specified date.
- It may include language discussing the protections provided by VAWA in the termination or eviction notice and request that a tenant come to the SFHA office and pick up the form if the tenant believes the VAWA protections apply.

Notice PIH 2006-42 points out that mailing the certification form in response to an incident could place the victim at risk, since the abuser may be monitoring the mail. In such cases, the notice recommends that SFHAs work with tenants to make other delivery arrangements.

SFHA Policy

The SFHA will follow the lease termination notice policy in section 13-IV.D. If the SFHA has reason to suspect that the notice might place a victim of domestic violence at risk, it will attempt to deliver the notice by hand directly to the victim. The SFHA will use the same caution if it decides to deliver VAWA information to a victim at any other time following an incident of domestic violence.

Victim Documentation [Notice PIH 2006-42]

VAWA authorizes SFHAs responding to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking to request in writing that a tenant complete, sign, and submit a HUD-approved certification form (form HUD-50066).

In lieu of a certification form, or in addition to the certification form, a tenant may provide one of the following:

- A federal, state, tribal, territorial, or local police, court, or administrative record documenting the domestic violence, dating violence, sexual assault or stalking
- Documentation signed by an employee, agent, or volunteer of a victim service provider; an attorney; medical professional, or a mental health professional from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse, in which the professional attests under penalty of perjury to the professional's belief that the victim has experienced an incident of domestic violence, dating violence, sexual assault, or stalking that meets the grounds for protection under the statute.

A SFHA is not required to demand that an individual produce official documentation or physical proof of an individual's status as a victim of domestic violence, dating violence, sexual assault or stalking in order to receive the protections of VAWA. A SFHA may, at its discretion, provide assistance to an individual based solely upon the individual's statement or other corroborating evidence.

VAWA specifies that a victim of domestic violence, dating violence, sexual assault or stalking must provide documentation of abuse within 14 business days after receipt of a written request for such documentation by a SFHA. The SFHA may extend the time to provide documentation of abuse. If the victim does not provide the documentation within that time frame, or any extension approved by the SFHA, the victim forfeits the protections against termination afforded by VAWA, and the SFHA is free to evict or terminate the assistance of the victim in accordance with otherwise applicable law and lease provisions.

SFHA Policy

When a tenant family is facing lease termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a tenant or affiliated individual of the tenant claims that they are the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, the SFHA will request in writing that the individual submit documentation affirming that claim. The written request will include explicit instructions on where, when, and to whom the documentation must be submitted. It will also state that the SFHA may grant a reasonable time extension for the victim to provide documentation and the consequences for failure to submit the documentation by the deadline.

The documentation will consist of a completed and signed form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking. In lieu of the certification form, the SFHA will accept either of the following forms of documentation:

- A police, court, or administrative record documenting the actual or threatened abuse

- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider, an attorney, mental health, or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the victim has experienced an incident of domestic violence, dating violence, sexual assault, or stalking that meets the grounds for protection under the statute. The victim must also sign the documentation.

The SFHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice.

The individual claiming victim status must submit the requested documentation within 14 business days after receipt of the SFHA's written request or must request an extension within that time frame. The SFHA may, at its discretion, extend the deadline for a reasonable amount of time.

If the individual provides the requested documentation within 14 business days, or any SFHA-approved extension, the SFHA will reconsider its termination decision in light of the documentation.

If the individual does not provide the requested documentation within 14 business days, or any SFHA-approved extension, the SFHA will proceed with termination of the family's lease in accordance with applicable local, state, and federal law and the policies in this ACOP.

Terminating or Evicting a Perpetrator of Domestic Violence [24 CFR 5.2005(c)]

Although VAWA provides protection from termination for victims of domestic violence, it does not provide protection for perpetrators. In fact, VAWA gives the SFHA the explicit authority to bifurcate a lease, or to remove a household member from a lease, in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing” [FR Notice 8/6/13]. This means that the SFHA must follow the same rules when terminating or evicting an individual as it would when terminating or evicting an entire family [FR Notice 3/16/07]

SFHA Policy

The SFHA will bifurcate a family’s lease and terminate the tenancy of a family member if the SFHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.

In making its decision, the SFHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to the SFHA by the victim in accordance with this section. The SFHA will also consider the factors in section 13.III.E. Upon such consideration, the SFHA may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the SFHA does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If the person removed from the lease was the only tenant eligible to receive assistance, the SFHA must provide any remaining tenant a chance to establish eligibility for the unit. If the remaining tenant cannot do so, the SFHA must provide the tenant reasonable time to find new housing or to establish eligibility for another housing program covered by VAWA 2013.

SFHA Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]

All information provided to the SFHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

SFHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the SFHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

13-IV.A. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes SFHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. SFHA policy determines when the SFHA will conduct such checks.

SFHA Policy

The SFHA will conduct criminal records checks when it has come to the attention of the SFHA, either from local law enforcement or by other means that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The SFHA may not pass along to the tenant the costs of a criminal records check.

Fingerprint data results are to be accessed only by individuals with appropriate clearance, access approval or in a clearly identified need-to-know situation. The user of said information is to practice extreme discipline in handling and disclosing only the information necessary to execute the assignment. Rank, title and/or position do not qualify individuals as having “need-to know” status.

13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the SFHA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the SFHA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the SFHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

SFHA Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the SFHA will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 15 calendar days from the date of the SFHA notice, to dispute the accuracy and relevance of the information. If the family does not contact the SFHA to dispute the information within that 15 calendar day period, the SFHA will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the resident's right to reply to the termination notice, and their right to examine SFHA documents directly relevant to the termination or eviction. If the SFHA does not make the documents available for examination upon request by the tenant, the SFHA may not proceed with the eviction [24 CFR 966.4(m)].

When the SFHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the SFHA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the SFHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the SFHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the SFHA, or for a drug-related criminal activity on or off the premises.

SFHA Policy

The SFHA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. (For terminations related to domestic violence, see also the policy under "Victim Notification" in section 13-III.F.) If such attempt fails, the notice will be sent by first-class mail the same day.

All notices of lease termination will include a statement of the protection against termination provided by the Violence against Women Reauthorization Act of 2013 (VAWA) for victims of domestic violence, dating violence, sexual assault or stalking. They will also include a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking. Any family member who claims that the cause for termination involves (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, sexual assault dating violence, or stalking of which a family member is the victim will be given the opportunity to provide documentation in accordance with the policies in section 13-III.F.

Timing of the Notice [24 CFR 966.4(l)(3)(i)]

The SFHA must give written notice of lease termination of:

- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

If the health or safety of other residents, SFHA employees, or persons residing in the immediate vicinity of the premises is threatened

If any member of the household has engaged in any drug-related criminal activity or violent criminal activity

If any member of the household has been convicted of a felony

- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

SFHA Policy

The SFHA will give written notice of 14 calendar days for nonpayment of rent. For all other lease terminations the SFHA will give 30 calendar days written notice or, if state or local law allows less than 30 calendar days, such shorter notice will be given.

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

Notice of Nonrenewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]

When the SFHA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

SFHA Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E. and will also serve as the notice of termination of tenancy.

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the SFHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the SFHA's informal hearing procedures.

13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The SFHA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

SFHA Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the SFHA will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the SFHA will seek the assistance of the court to remove the family from the premises as per state and local law.

The SFHA may not proceed with an eviction action if the SFHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the SFHA evicts an individual or family for criminal activity, including drug-related criminal activity, the SFHA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

SFHA Policy

A written record of every termination and/or eviction will be maintained by the SFHA at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions.

Chapter 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to SFHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Reviews for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures/Hearings for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

PART I: INFORMAL REVIEWS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the SFHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review. HUD regulations do not provide a structure for or requirements regarding informal review for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the SFHA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL REVIEW PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal reviews are provided for public housing applicants. An applicant is someone who has applied for admission to the conventional public housing program, but is not yet a tenant in the program. Informal reviews are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the SFHA grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal reviews provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

Use of Informal Review Process

The SFHA must offer the opportunity of an informal review to applicants who have been determined as ineligible for admission.

SFHA Policy

The SFHA will only offer informal reviews to applicants for the purpose of disputing denials of admission.

The request for review must be presented, in writing, within 15 calendar days after the SFHA makes the decision to deny applicant admission. The applicant must include the address where the applicant would like the Notice of the Review to be delivered. Otherwise, the Notice of Review will be delivered to the last known address in the SFHA's database.

The informal review will be conducted within 15 calendar days following receipt of the request.

Notice of Denial [24 CFR 960.208(a)]

The SFHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the SFHA decision, and must also state that the applicant may request an informal review to dispute the decision. The notice must describe how to obtain the informal review.

When denying eligibility for admission, the PHA must provide the family a notice of VAWA rights as well as the HUD VAWA self-certification form (form HUD-50066) in accordance with

the Violence against Women Reauthorization Act of 2013, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of the denial of eligibility determination.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling a Review

SFHA Policy

A request for an informal review must be made in writing and delivered to the SFHA either in person or by first class mail, by the close of the business day, no later than 15 calendar days from the date of the SFHA's notification of denial of admission.

Except as provided in Section 3-III.F, the SFHA will schedule and send written notice of the informal review within 15 calendar days of the family's request.

Conducting an Informal Review [PH Occ GB, p. 58]

SFHA Policy

The informal review will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the SFHA.

The person conducting the informal review will make a recommendation regarding the applicant's eligibility for admission. The SFHA is responsible for making the final decision as to whether admission should be granted or denied.

If the applicant fails to appear for their informal review, the applicant will have one opportunity to reschedule within 15 calendar days of the original hearing date. If the applicant misses the re-scheduled hearing, the denial of admission will stand and the family will be so notified.

Informal Review Decision [PH Occ GB, p. 58]

SFHA Policy

The SFHA will notify the applicant of the SFHA's final determination, including a brief statement of the reasons for the final decision.

In rendering a decision, the SFHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in SFHA policy, then the decision to deny

assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The SFHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the SFHA will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the SFHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny admission.

The SFHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed by U.S. postal mail within 15 calendar days of the informal review, to the applicant and his or her representative, if any.

If the decision of the informal review overturns the denial, processing for admission will resume.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the SFHA must consider such accommodations. The SFHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the SFHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the SFHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the SFHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the SFHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the SFHA must notify the family of the results of the USCIS verification. The family will have 30 calendar days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the SFHA with a copy of the written request for appeal and proof of mailing.

SFHA Policy

The SFHA will notify the family in writing of the results of the USCIS secondary verification within 15 calendar days of receiving the results.

The family must provide the SFHA with a copy of the written request for appeal and proof of mailing within 15 calendar days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the SFHA, of its decision. When the USCIS notifies the SFHA of the decision, the SFHA must notify the family of its right to request an informal hearing.

SFHA Policy

The SFHA will send written notice to the family of its right to request an informal hearing within 15 calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the SFHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the SFHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The SFHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the SFHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

SFHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of SFHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the SFHA, and to confront and cross-examine all witnesses on whose testimony or information the SFHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the SFHA, as may be agreed upon by the two parties. If the family does not arrange for their own interpreter, the SFHA is still obligated to provide oral translation services in accordance with its LEP Plan.

Recording of the Hearing

The family is entitled to have the hearing recorded by a digital recorder upon request. A copy of the hearing is available on cd for \$5.00.

SFHA Policy

The SFHA will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The SFHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 15 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The SFHA must retain, for a minimum of four (4) years, the following documents that may have been submitted to the SFHA by the family, or provided to the SFHA as part of the USCIS appeal or the SFHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the SFHA provide a hearing. The request for a hearing must be made either within 30 calendar days of receipt of the SFHA notice of termination, or within 30 calendar days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES/HEARINGS FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

SFHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any SFHA action or failure to act involving the lease or SFHA policies which adversely affect their rights, duties, welfare, or status. The PHA must not only meet the minimal procedural due process requirements provided under the regulations, but must also meet any additional requirements imposed by local, state or federal law.

The SFHA grievance procedure is included in, or incorporated by reference in, the lease agreement.

SFHA Policy

The SFHA must provide at least 30 calendar days notice to tenants and resident organizations setting forth proposed changes in the SFHA grievance procedure, and providing an opportunity to present written comments. Comments submitted by residents must be considered by the SFHA before adoption of any changes to the grievance procedure by the SFHA.

Residents and resident organizations will have 30 calendar days from the date they are notified by the SFHA of any proposed changes in the SFHA grievance procedure, to submit written comments to the SFHA.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to SFHA action or failure to act in accordance with the individual tenant’s lease or SFHA regulations which adversely affect the individual tenant’s rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the SFHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - Right of the tenant to be represented by counsel

- Opportunity for the tenant to refute the evidence presented by the SFHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
- A decision on the merits
- **Hearing Officer/Panel** – an impartial person or persons selected by the PHA, other than the person who made or approved the decision under review, or a subordinate of that person. The individual or individuals do not need legal training.
- **Tenant** – the adult person (or persons) (other than a live-in aide)
 - Who resides in the unit, and who executed the lease with the SFHA as lessee of the dwelling unit, or, if no such person now resides in the unit Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit

14-III.C. APPLICABILITY [24 CFR 966.51]

Grievances could potentially address most aspects of the SFHA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the SFHA. It is not applicable to disputes between tenants not involving the SFHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the SFHA.

HUD has issued a due process determination of the state of California. The SFHA may exclude from the SFHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the SFHA
- Any violent or drug-related criminal activity on or off such premises

Any criminal activity that resulted in felony conviction of a household member SFHA Policy

Since HUD has issued a due process determination of the state of California, the SFHA may evict through the state/local judicial eviction procedures. The SFHA is not required to provide the opportunity for a hearing under the SFHA's grievance procedure as described above.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL HEARING OF GRIEVANCE [24 CFR 966.54]

A grievance shall be personally presented, either orally or in writing, to the SFHA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

SFHA Policy

A request for an Informal Hearing must be presented, in writing, within 15 calendar days after the SFHA makes the decision that the resident wishes to grieve. The Informal Hearing will be scheduled within 15 calendar days following receipt of the request. Grievances relating to a notice to quit must be presented within the period set forth on such notice. The SFHA will make an initial attempt to determine which dates and times are available to the tenant, their representative and the SFHA staff. If no response is provided within 72 hours of the initial correspondence (phone call or e-mail) then a date will be selected by the SFHA and the notice of the date and time of the hearing will be sent to the tenant notifying them of the date and time of the hearing. Cancellation or request for rescheduling of this date by the tenant, advocate or SFHA staff will count as the parties one time reschedule per the language below.

Cancellation of the hearing must be made by the resident or the authorized representative in writing.

If a tenant fails to attend the scheduled meeting without prior notice, the SFHA will reschedule the appointment one time only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the SFHA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

SFHA Policy

The SFHA will prepare a summary of the informal hearing within 15 calendar days; one copy to be given to the tenant and one copy to be retained in the SFHA's tenant file. If the tenant does not provide a preferred method to receive the decision, the decision will be mailed to the tenant via U.S. Postal mail to the address that the SFHA has on record.

14-III.E. PROCEDURES TO OBTAIN A FORMAL HEARING [24 CFR 966.55]

Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]

All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a Formal Hearing. However, if the complainant can show good cause for failure to proceed with the informal hearing process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)].

The complainant must submit the request in writing for a Formal Hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.

SFHA Policy

The resident must submit a written request for a Formal Hearing to the SFHA within 15 calendar days of the tenant's receipt of the summary of the informal hearing. Cancellation of the hearing must be made by the resident in writing. The scope of the Formal Hearing is limited to those matters originally requested in the Informal Hearing.

If the complainant does not request a hearing, the SFHA's disposition of the grievance under the informal hearing process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the SFHA's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)]. **Scheduling of Hearings [24 CFR 966.55(f)]**

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the SFHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate SFHA official. Delivery to SFHA staff may be in the form of e-mail. Delivery to the tenant will be via U.S. Postal Mail unless the tenant or their representative states that e-mail is sufficient.

SFHA Policy

Within 15 calendar days of receiving a written request for a hearing, the SFHA will schedule and send the written notice of the hearing to the complainant.

The SFHA shall permit the tenant and/or representative to reschedule a hearing one time. If the reason for rescheduling is due to a time or date conflict, the tenant must inform the SFHA of a more suitable date and time frame for the rescheduled hearing. If the applicant misses the rescheduled hearing, the adverse action being grieved will stand and the family will be so notified.

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. *Good cause* is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

Requests to reschedule a hearing must be made in writing at least 24 hours prior to the hearing date. At its discretion, the SFHA may request documentation of the “good cause” prior to rescheduling the hearing.

14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.53(e)]

The grievance hearing must be conducted by an impartial person or persons appointed by the SFHA, other than the person who made or approved the SFHA action under review, or a subordinate of such person. The SFHA must describe their policies for selection of a hearing officer in their lease.

SFHA Policy

A grievance hearing shall be conducted by a single impartial hearing officer appointed by the SFHA, other than the person who made or approved the SFHA action under review or a subordinate of such person. A Hearing Officer will be designated by the Executive Director or his/her designee. Eligible SFHA Hearing Officers will include employees in management classifications.

Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality.

The SFHA shall consult the resident organizations before SFHA appointment of each hearing officer. Any comments or recommendations submitted by the tenant organizations shall be considered by the SFHA before appointment.

14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the hearing any SFHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the SFHA does not make the document available for examination upon request by the complainant, the SFHA may not rely on such document at the grievance hearing unless the document is considered attorney/client privilege.

SFHA Policy

The tenant will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of SFHA documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen to represent the tenant and to have such person make statements on the tenant's behalf.

SFHA Policy

Hearings may be attended by the following applicable persons:

A SFHA representative(s) and any witnesses for the SFHA

The tenant and any witnesses for the tenant

The tenant's counsel or other representative

The SFHA's counsel

Any other person approved by the SFHA as a reasonable accommodation for a person with a disability

- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the SFHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the SFHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Failure to Appear [24 CFR 966.56(c)]

If the complainant or the SFHA fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for no more than five (5) business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the SFHA must be notified of the determination by the hearing officer/panel: Provided, that a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the SFHA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

SFHA Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 15 minutes. If the tenant appears within 15 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 15 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the SFHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. If the reason for rescheduling is due to a time or date conflict, the complainant must inform the SFHA of a more suitable date and time frame for the hearing. If the applicant misses the rescheduled appointment, the adverse action being grieved will stand and the family will be so notified.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

General Procedures [24 CFR 966.56(d) and (e)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the SFHA must sustain the burden of justifying the SFHA action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing must be conducted informally by the hearing officer/panel. The SFHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint and to question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].

SFHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses. All witnesses shall be asked to swear or affirm that the information they are about to provide is true.

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the SFHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the SFHA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine SFHA documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the SFHA to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer/panel must require the SFHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate [24 CFR 966.56(f)].

The complainant or the SFHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)].

Accommodations of Persons with Disabilities [24 CFR 966.56(h)]

The SFHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the SFHA's responsibilities pertaining to reasonable accommodation.

Limited English Proficiency (24 CFR 966.56(g))

The SFHA must comply with HUD's LEP Final Rule in providing language services throughout the grievance process.

14-III.H. DECISION OF THE HEARING OFFICER [24 CFR 966.57]

The hearing officer must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the SFHA. The SFHA must retain a copy of the decision in the tenant's folder. A copy or log of all hearing officer decisions, with all names and identifying references deleted, must also be maintained by the SFHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer. [24 CFR 966.57(a)].

SFHA Policy

In rendering a decision, the hearing officer will consider the following matters:

SFHA Notice to the Family: The hearing officer will determine if the reasons for the SFHA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with SFHA policy.

SFHA Evidence to Support the SFHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the SFHA's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and SFHA policies. If the grounds for termination are not specified in the regulations or in compliance with SFHA policies, then the decision of the SFHA will be overturned.

The hearing officer will issue a written decision to the family and the SFHA no later than 15 calendar days after the hearing. The report will contain the following information:

Hearing information:

Name of the complainant

Date, time and place of the hearing

Name of the hearing officer

Name of the SFHA representative(s)

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal hearing was held, who held it, and a summary of the results of the informal hearing. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the SFHA's decision.

Order: The hearing report will include a statement of whether the SFHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the SFHA to change the decision. The following are the general policies in overturning decisions:

In the case of termination of tenancy, the hearing officer will instruct the SFHA to restore the family's status.

In the case of overturning income, rent or third party reconciliations, the hearing officer will instruct the SFHA to re-calculate the rent and/or income based on the documents originally submitted to the SFHA at the time the calculations were completed. Income or expense documents submitted at the hearing but not available to the SFHA at the time of calculation may not be used to overturn a previous calculation but will rather serve the basis for a future interim calculation.

In the case of a denial reasonable accommodation request, the hearing officer may overturn a decision and require the SFHA to re-consider the request or enter into negotiations with the family. The hearing officer is not authorized to make reasonable accommodation decisions on behalf of the SFHA.

The SFHA shall retain a copy of the decision in the tenant's folder (24 CFR. section 966.57(a)).

Recording of the Hearing

The SFHA will record every hearing with a digital recorder or similar device. The family may record the hearing with their own device or request a copy from the SFHA for a charge of \$5.00. Video recordings of the hearing are not permitted absent consent of all parties in the hearing room at the commencement of the hearing. If additional persons shall enter, they too must agree

to a video recording of the hearing. Absent unanimous consent of video recording throughout the hearing by all parties present, a video recording of the hearing shall not be permitted.

Procedures for Further Hearing

SFHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the hearing officer will make a decision based on the evidence presented up to the deadline.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer shall be binding on the SFHA which shall take all actions, or refrain from any actions, necessary to carry out the decision unless the SFHA Board of Commissioners determines within a reasonable time, and promptly notifies the complainant of its determination, that:

- The grievance does not concern SFHA action or failure to act in accordance with or involving the complainant's lease or SFHA regulations, which adversely affect the complainant's rights, duties, welfare or status; or
- The decision of the hearing officer is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the SFHA

SFHA Policy

When the SFHA considers the decision of the hearing officer invalid due to the reasons stated above, it will present the matter to the SFHA Board of Commissioners within 15 calendar days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 15 calendar days of the decision.

- A decision by the hearing officer or Board of Commissioners in favor of the SFHA or which denies the relief requested by the complainant in whole or in part shall not constitute a waiver of, nor affect in any matter whatever, any rights the complainant may have to a trial de novo or judicial review in any judicial proceedings, which may thereafter be brought in the matter.

Chapter 15

PROGRAM INTEGRITY

INTRODUCTION

The SFHA is committed to ensuring that funds made available to the SFHA are spent in accordance with HUD requirements.

This chapter covers HUD and SFHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents SFHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the SFHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide SFHAs with a powerful tool for preventing errors and program abuse. SFHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. SFHAs are further required to:

- Provide applicants and residents with form HUD-52675, “Debts Owed to SFHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

SFHA Policy

The SFHA anticipates that the vast majority of families and SFHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the SFHA’s program is administered effectively and according to the highest ethical and legal standards, the SFHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The SFHA will provide each applicant and resident with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The SFHA will provide each applicant and resident with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19. In addition, the SFHA will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The SFHA will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The SFHA will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The SFHA will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

SFHA staff will be required to review and explain the contents of all HUD- and SFHA-required forms prior to requesting family member signatures.

The SFHA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key SFHA forms and form letters that request information from a family member.

The SFHA will provide each SFHA employee with the necessary training on program rules and the organization's standards of conduct and ethics. At every regular reexamination the SFHA staff will explain any changes in HUD regulation or SFHA policy that affect residents.

At every regular reexamination the SFHA staff will explain any changes in HUD regulations or SFHA policy that affect residents.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the SFHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

SFHA Policy

The SFHA will employ a variety of methods to detect errors and program abuse, including:

The SFHA routinely will use EIV and other non-HUD sources of up-front income verification. This includes the Work Number and any other private or public databases available to the SFHA.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The SFHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all SFHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of SFHA activities and notifies the SFHA of errors and potential cases of program abuse.

SFHA Policy

The SFHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the SFHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

SFHA Policy

The SFHA will encourage staff, residents, and the public to report possible program abuse.

15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the SFHA Will Investigate

SFHA Policy

The SFHA will review referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the SFHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The SFHA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The SFHA may investigate possible instances of error or abuse using all available SFHA and public records. If necessary, the SFHA will require families to sign consent forms for the release of additional information.

Analysis and Findings

SFHA Policy

The SFHA will base its evaluation on a preponderance of the evidence collected during its investigation.

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

For each investigation the SFHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the SFHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the SFHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

SFHA Policy

In the case of family-caused errors or program abuse, the SFHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

SFHA Policy

The SFHA will inform the relevant party in writing of its findings and remedies within 30 calendar days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the SFHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the SFHA must promptly correct the tenant rent and any utility reimbursement prospectively.

SFHA Policy

Increases in the tenant rent will be implemented on the first of the month following a written 30 calendar day notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the SFHA or the SFHA is required to credit the family depends upon which party is responsible for the error and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the SFHA to use incorrect information provided by a third party.

Family Reimbursement to SFHA

SFHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The SFHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the SFHA will terminate the family's lease in accordance with the policies in Chapter 13.

SFHA Reimbursement to Family

SFHA Policy

The SFHA will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the SFHA [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the SFHA [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

SFHA Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the SFHA Board of Commissioners, employees, contractors, or other SFHA representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the SFHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The SFHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the SFHA may, at its discretion, impose any of the following remedies.

- The SFHA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to SFHA).
- The SFHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The SFHA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The SFHA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15-II.C. SFHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of SFHA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a SFHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the SFHA personnel policy.

SFHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

Repayment to the SFHA

The family is not required to repay an underpayment of rent if the error or program abuse is caused by SFHA staff.

SFHA Reimbursement to Family

SFHA Policy

The SFHA will credit a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

Prohibited Activities

SFHA Policy

Any of the following will be considered evidence of program abuse by SFHA staff:

- Failing to comply with any public housing program requirements for personal gain

- Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

- Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the SFHA

- Disclosing confidential or proprietary information to outside parties

- Gaining profit as a result of insider knowledge of SFHA activities, policies, or practices

- Misappropriating or misusing public housing funds

- Destroying, concealing, removing, or inappropriately using any records related to the public housing program

- Committing any other corrupt or criminal act in connection with any federal housing program

15-II.D. CRIMINAL PROSECUTION

SFHA Policy

When the SFHA determines that program abuse by a family or SFHA staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the SFHA will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

SFHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the SFHA recovers [Notice PIH 2007-27 (HA)].

If the SFHA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the SFHA's grievance process.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of SFHA-furnished utilities.

Part II: Establishing Flat Rents This part describes the requirements and policies related to establishing and updating flat rent amounts.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the SFHA will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (PHAS). This part describes the PHAS indicators, how the SFHA is scored under PHAS, and how those scores affect the SFHA.

Part V: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the SFHA will follow.

Part VI: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the SFHA's reporting responsibilities related to children with environmental intervention blood lead levels that are living in public housing.

Part VII: Notification to Applicants and Tenants regarding Protections under the Violence against Women Reauthorization Act of 2013 (VAWA). This part includes policies for notifying applicants and tenants of VAWA requirements.

PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

16-I.A. OVERVIEW

PHA's must establish allowances for SFHA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

PHA's must also establish surcharges for excess consumption of SFHA-furnished utilities [24 CFR 965.506].

The SFHA must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

16-I.B UTILITY ALLOWANCES

The SFHA must establish separate allowances for each utility and for each category of dwelling units the SFHA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a SFHA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, and fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the SFHA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the SFHA about establishing utility allowances.

Utility Allowance Revisions [24 CFR 965.507]

The SFHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The SFHA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

SFHA Policy

Between annual reviews of utility allowances, the SFHA will only revise its utility allowances due to a rate change, when required to by the regulation.

16-I.C. NOTICE REQUIREMENTS [965.502]

The SFHA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- Be provided at least 60 calendar days before the proposed effective date of the allowances, scheduled surcharges, or revisions.
- Describe the basis for determination of the allowances, scheduled surcharges, or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the SFHA's documentation on which allowances and surcharges are based is available for inspection.
- Provide all residents an opportunity to submit written comments during a period expiring not less than 30 calendar days before the proposed effective date of the allowances, scheduled surcharges, or revisions.

16-I.D. REASONABLE ACCOMMODATION [24 CFR 965.508]

On request from a family that includes a disabled or elderly person, the SFHA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

PART II: ESTABLISHING FLAT RENTS

16-II.A. OVERVIEW

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

Policies related to the use of flat rents, family choice of rent and flat rent hardships are discussed in Chapter 6.

16-II.B. FLAT RENTS [24 CFR 960.253(b) and Notice PIH 2015-13]

Establishing Flat Rents

The 2015 Appropriations Act requires that flat rents must be set at no less than 80 percent of the applicable fair market rent (FMR). Alternatively, the PHA may set flat rents at no less than 80 percent of the applicable small area FMR(SAFMR) for metropolitan areas, or 80 percent of the applicable unadjusted rents for nonmetropolitan areas.

For areas where HUD has not determined a SAFMR or an unadjusted rent, PHAs must set flat rents at no less than 80 percent of the FMR or apply for an exception flat rent.

The 2015 Appropriations Act permits PHAs to request an exception flat rent that is lower than either 80 percent of the FMR or SAFMR/unadjusted rent if the PHA can demonstrate that these FMRs do not reflect the market value of a particular property or unit.

In order to demonstrate the need for an exception flat rent, PHAs are required to submit a market analysis methodology that demonstrates the value of the unit. The PHA must use HUD's rent reasonableness methodology to determine flat rents. In determining flat rents, PHAs must consider the following:

- Location
- Quality
- Unit size
- Unit type
- Age of property
- Amenities at the property and in immediate neighborhood
- Housing services provided
- Maintenance provided by the PHA
- Utilities provided by the PHA

PHAs must receive written HUD approval before implementing exception flat rents. PHAs that use exception flat rents must conduct a new market analysis, and obtain HUD approval, annually.

Review of Flat Rents

No later than 90 days after HUD publishes new annual FMRs/SAFMRs/unadjusted rent, SFHA must revise flat rents as necessary based on the rent reasonableness analysis and changes to the FMR/SAFMR/unadjusted rent. The SFHA must offer changes to the flat rent to all new admissions and to existing families at the next annual rent option.

SFHA Policy

The SFHA will review flat rents at the time the new FMRs are published. If the HUD published FMR has changed, the SFHA will ensure the flat rent is at least 80 percent of the current FMR.

Posting of Flat Rents

The SFHA will publicly post the schedule of flat rents in a conspicuous manner in the applicable SFHA or project office.

Documentation of Flat Rents [24 CFR 960.253(b)(5)]

The SFHA must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the SFHA in accordance with this method.

PART III: FAMILY DEBTS TO THE SFHA

16-III.A. OVERVIEW

This part describes the SFHA's policies for recovery of monies owed to the SFHA by families.

SFHA Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the SFHA holds the family liable to return any underpayments to the SFHA.

The SFHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When a family refuses to repay monies owed to the SFHA, the SFHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

16-III.B. REPAYMENT POLICY

Family Debts to the SFHA

SFHA Policy

Any amount owed to the SFHA by a public housing family must be repaid. If the family is unable to repay the debt within 30 calendar days, the SFHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the SFHA will terminate the family's tenancy in accordance with the policies in Chapter 13 and enter the debt into the Debts Owed module of EIV. The SFHA will also pursue other modes of collection.

Repayment Agreement Guidelines

Payment Thresholds

Notice PIH 2010-19 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income, which is considered “affordable.” Moreover, Notice PIH 2010-19 acknowledges that the SFHA has the discretion to establish “thresholds and policies” for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

Housing Retention Agreement

SFHA Policy

If a balance exists on the account that is more than the current rent amount, any amount less than the total balance of the past 12 months will not be accepted absent a Housing Retention Agreement being entered into. A Housing Retention Agreement is an agreement which provides for the payment of all outstanding rents owed by the tenant, with the objective that the tenant will be permitted to continue to rent the unit.

Execution of the Agreement

SFHA Policy

Any repayment agreement between the SFHA and a family becomes effective once signed and dated by the SFHA and by the head of household and spouse/co head (if applicable).

Due Dates

SFHA Policy

All payments are due by the close of business on the tenth (10) day of the month. If the tenth (10) does not fall on a business day, the due date is the close of business on the first business day after the tenth (10) of the month.

Late or Missed Payments

SFHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the SFHA, the SFHA will send the family a delinquency notice giving the family 14 calendar days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the SFHA will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the SFHA will terminate tenancy in accordance with the policies in Chapter 13.

No Offer of Repayment Agreement

SFHA Policy

A resident may enter into a repayment agreement with their property office once every two years. If the resident completes payment of one agreement and again needs the assistance of a repayment agreement to remain in the unit, the determination shall be made by the area manager of the property whether to enter into a second repayment agreement in the course of the 24 months. The decision made by the area manager is grievable.

Repayment Agreement Calculation

SFHA Policy

A resident will be required to submit a 10% down payment of their adjusted monthly income to the SFHA at the time the Repayment Agreement takes effect. The following month, the tenant will be required to pay their regular rent portion plus 7.5% of their adjusted monthly income toward repayment of the remaining outstanding balance, which will be due to the SFHA monthly until the balance owed is paid in full.

Reconciliation

The SFHA has undertaken a reconciliation effort of tenant files. The reconciliation will ensure that numbers being reported to the Department of Housing and Urban Development and the amount paid by the tenant are accurate and in accordance with policies and procedures. However, upon the reconciliation occurring and the three (3) year debt being noticed to the tenant, the tenant is obligated to pay that amount in addition to all amounts accrued after reconciliation.

Upon completion of the tenant reconciliation, tenant will be notified of their debt owed within the previous three (3) years. The notice shall include the:

- Period of time the reconciliation covered (3 years);
- Notification that debt accruing moving forward will be added to the three (3) year debt and tenant is responsible for the debt in the notice plus all debt accrued moving forward;
- Right to a Grievance Hearing within 15 calendar days if the tenant disagrees with the amount in the reconciliation;
- Opportunity to enter into a repayment agreement within 15 calendar days; and
- Contact information to enter into a repayment agreement.

Refusal to enter into a repayment agreement will result in the SFHA following proceedings as laid out in Chapter 13.

If a tenants file has yet to be reconciled, the tenant may enter into an agreement with the property office for their three (3) year, unreconciled, debt. If, when the file is reconciled, the amount in the agreement is inconsistent with the reconciled amount, the agreement will be updated to reflect the reconciled amount owed.

Tenants whose files are in the process of eviction proceedings will not receive the above notice and will instead be notified of their debt through the SFHA's counsel of record.

If a family can provide evidence satisfactory to the SFHA that the monthly payment amount as determined by the SFHA would impose an undue hardship or that their income is \$0, the SFHA will require a lower monthly payment amount of no less than \$25.00.

Repayment Agreements Involving Improper Payments

Notice PIH 2010-19 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the public housing lease that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the SFHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the SFHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

Repayment Agreements Requested of Ex-Tenants

Public Housing Tenants who converted to the Housing Choice Voucher Program under the Rental Assistance Demonstration Program may enter into a Repayment Agreement within six (6) months of their conversion to the Housing Choice Voucher Program. Tenants who enter into a Repayment Agreement may decide how much they would like to pay monthly. Under no circumstances can the amount be less than \$25.00.

The SFHA will not enter into repayment agreements with individuals who are no longer clients in the Public Housing Program nor are in the RAD program. For those individuals who would like to pay their debt to the SFHA, a full payment will be required.

PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (PHAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among the SFHA, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

16-IV.B. PHAS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]

The table below lists each of the PHAS indicators, the points possible under each indicator, and a brief description of each indicator. A SFHA's performance is based on a combination of all four indicators.

Indicator 1: Physical condition of the SFHA's properties

Maximum Number of Points for this indicate is 40

- The objective of this indicator is to determine the level to which a SFHA is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair.
- To determine the physical condition of a SFHA's properties, inspections are performed of the following five major areas of public housing: site, building exterior, building systems, dwelling units, and common areas. The inspections are performed by an independent inspector arranged by HUD, and include a statistically valid sample of the units in the SFHA's public housing portfolio.
- Individual project (AMP) scores are used to determine a single score for the physical condition, financial condition, and management operations indicators. The capital fund program indicator score is entity-wide.

Indicator 2: Financial condition of a SFHA

Maximum Number of Points for this indicator is 25

- The objective of this indicator is to measure the financial condition of a SFHA for the purpose of evaluating whether it has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary, and in good repair.
- A SFHA's financial condition is determined by measuring the SFHA's entity-wide performance in each of the following components: current ratio, number of months expendable fund balance, tenant receivable outstanding, occupancy loss, expense management/utility consumption, and net income or loss divided by the expendable fund balance.

Indicator 3: Management operations of a SFHA**Maximum Number of Points for this indicator is 25**

- The objective of this indicator is to measure certain key management operations and responsibilities of a SFHA for the purpose of assessing the SFHA's management operations capabilities.
- A SFHA's management operations are assessed based on the following sub-indicators: vacant unit turnaround time, capital fund, work orders, SFHA annual inspection of units and systems, security, and economic self-sufficiency.

Indicator 4: Capital Fund for a SFHA**Maximum Number of Points for this indicator is 10**

- The objective of this indicator is to examine the period of time it takes a SFHA to obligate capital fund program and to occupy units:
 - To ensure that the SFHA obligates 90% or more of its funds as quickly as possible, but no later than 2 years after funds become available.
 - To modernize/develop public housing units and improve overall occupancy.
- The capital fund program indicator is required by statute to be measured at the SFHA level. Therefore, this indicator applies on a SFHA-wide basis and not to individual projects.
- Funds from the capital fund program under this section do not include HOPE VI program funds.
- Does not apply for PHA's that choose not to participate in the capital fund program of the 1937 Act.

16-IV.C. PHAS SCORING [24 CFR 902.63 and 902.67]

- HUD’s Real Estate Assessment Center (REAC) issues overall PHAS scores, which are based on the scores of the four PHAS indicators, and the components under each indicator. PHAS scores translate into a designation for each PHA as high performing, standard, substandard or troubled. PHAS are graded as high, standard, substandard, or troubled performers, as follows:

SCORE	STATUS
90% to 100%	High performer
60% to 89%	Standard
At least 60% overall, but less than 60% under physical, financial or management indicators	Substandard
0% to 59%, or less than 50% under capital fund	Troubled

These designations can affect the SFHA in several ways:

- High-performing PHA’s are eligible for incentives including relief from specific HUD requirements and bonus points in funding competitions [24 CFR 902.71].
- PHA’s that are standard performers may be required to submit an improvement plan to eliminate deficiencies in the SFHA’s performance [24 CFR 902.73(a)].
- PHA’s with an overall rating of “troubled” are subject to additional HUD oversight, and are required to enter into a memorandum of agreement (MOA) with HUD to improve SFHA performance [24 CFR 902.75].
- PHA’s that fail to execute or meet MOA requirements may be referred to the Departmental Enforcement Center [24 CFR 902.77].

The SFHA must post a notice of its final PHAS score and status in appropriate conspicuous and accessible locations in its offices within two weeks of receipt of its final score and status.

PART V: RECORD KEEPING

16-V.A. OVERVIEW

The SFHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the SFHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights and that comply with VAWA 2013 confidentiality requirements.

16-V.B. RECORD RETENTION

The SFHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

SFHA Policy

During the term of each public housing tenancy, and for three (3) years thereafter, the SFHA will keep all documents related to a family's eligibility, tenancy, and termination.

In addition, the SFHA will keep the following records for at three (3) years:

- An application from each ineligible family and notice that the applicant is not eligible

- Lead-based paint records as required by 24 CFR 35, Subpart B

- Documentation supporting the establishment of flat rents.

- Documentation supporting the establishment of utility allowances and surcharges

- Documentation supporting PHAS scores

- Accounts and other records supporting SFHA budget and financial statements for the program

- Other records as determined by the SFHA or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

16-V.C. RECORDS MANAGEMENT

PHA's must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

SFHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized SFHA staff.

SFHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the SFHA may release the information collected.

Upfront Income Verification (UIV) Records

PHA's that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

SFHA Policy

Prior to utilizing HUD's EIV system, the SFHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The SFHA may only disclose the criminal conviction records which the SFHA receives from a law enforcement agency to officers or employees of the SFHA, or to authorized representatives of the SFHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The SFHA must establish and implement a system of records management that ensures that any criminal record received by the SFHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the SFHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The SFHA must establish and implement a system of records management that ensures that any sex offender registration information received by the SFHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the SFHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a SFHA other than under 24 CFR 5.905.

Medical/Disability Records

The SFHA is not permitted to inquire about the nature or extent of a person's disability. The SFHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the SFHA receives a verification document that provides such information, the SFHA should not place this information in the tenant file. The SFHA should destroy the document.

PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e)]

The SFHA has certain responsibilities relative to children with environmental intervention blood lead levels that are living in public housing.

The SFHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within five (5) business days of being so notified by any other medical health care professional. The SFHA must also report each known case of a child with an environmental intervention blood lead level to the HUD field office.

SFHA Policy

The SFHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

The SFHA will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within five (5) business days of receiving the information.

**PART VII: NOTIFICATION TO APPLICANTS AND TENANTS
REGARDING PROTECTIONS UNDER THE VIOLENCE AGAINST WOMEN
REAUTHORIZATION ACT OF 2013 (VAWA)**

16-VII.A. OVERVIEW

The Violence against Women Reauthorization Act of 2013 (VAWA) requires PHA's to inform public housing tenants of their rights under this law, including their right to confidentiality and the limits thereof.

This part describes the steps that the SFHA will take to ensure that all actual and potential beneficiaries of its public housing program are notified about their rights under VAWA.

16-VII.B. VAWA NOTIFICATION

SFHA Policy

The SFHA will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A summary of the rights and protections provided by VAWA to public housing applicants and residents who are or have been victims of domestic violence, dating violence, sexual assault or stalking (see sample notice in Exhibit 16-1)

The definitions of *domestic violence*, *dating violence*, *sexual assault* and *stalking* provided in VAWA (included in Exhibit 16-1)

An explanation of the documentation that the SFHA may require from an individual who claims the protections provided by VAWA (included in Exhibit 16-1)

A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking

A statement of the SFHA's obligation to keep confidential any information that it receives from a victim unless (a) the SFHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibit 16-1)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 16-1)

Contact information for local victim advocacy groups or service providers

16-VII.C. NOTIFICATION TO APPLICANTS

SFHA Policy

The SFHA will provide all applicants with notification of their protections and rights under VAWA at the time they request an application for housing assistance.

The notice will explain the protections afforded under the law, inform each applicant of SFHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The SFHA will also include in all notices of denial a statement explaining the protection against denial provided by VAWA (see section 3-III.F).

16-VII.D. NOTIFICATION TO TENANTS [24 CFR 5.2005(a)]

VAWA requires PHA's to notify tenants assisted under public housing of their rights under this law, including their right to confidentiality and the limits thereof.

SFHA Policy

The SFHA will provide all tenants with notification of their protections and rights under VAWA at the time of admission and at annual reexamination.

The notice will explain the protections afforded under the law, inform the tenant of SFHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The SFHA will also include in all lease termination notices a statement explaining the protection against termination or eviction provided by VAWA (see Section 13-IV.D).

EXHIBIT 16-1: SAMPLE NOTICE TO PUBLIC HOUSING APPLICANTS AND RESIDENTS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

This sample notice was adapted from a notice prepared by the National Housing Law Project.

A federal law that went into effect in 2005 and was reauthorized in 2013 protects individuals who are victims of domestic violence, dating violence, sexual assault and stalking. The name of the law is the Violence against Women Act, or "VAWA." This notice explains your rights under VAWA.

Protections for Victims

If you are eligible for public housing, the housing authority cannot refuse to admit you to the public housing program solely because you are a victim of domestic violence, dating violence, sexual assault or stalking.

If you are the victim of domestic violence, dating violence, sexual assault or stalking, the housing authority cannot evict you based on acts or threats of violence committed against you. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault or

stalking that are caused by a member of your household or a guest can't be the reason for evicting you if you were the victim of the abuse.

Reasons You Can Be Evicted

The housing authority can still evict you if the housing authority can show there is an *actual* and *imminent* (immediate) threat to other tenants or housing authority staff if you are not evicted. Also, the housing authority can evict you for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault or stalking committed against you. The housing authority cannot hold you to a more demanding set of rules than it applies to tenants who are not victims.

Removing the Abuser from the Household

The housing authority may split the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the public housing unit. If the housing authority chooses to remove the abuser, it may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, the housing authority must follow federal, state, and local eviction procedures.

Proving that You Are a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

The housing authority can ask you to prove or “certify” that you are a victim of domestic violence, dating violence, sexual assault or stalking. In cases of termination or eviction, the housing authority must give you at least 14 business days (i.e. Saturdays, Sundays, and holidays do not count) to provide this proof. The housing authority is free to extend the deadline. There are three ways you can prove that you are a victim:

- Complete the certification form given to you by the housing authority. The form will ask for your name, the name of your abuser (if known and safe to provide), the abuser’s relationship to you, the date, time, and location of the incident of violence, and a description of the violence.
- Provide a statement from a victim service provider, attorney, mental health professional or medical professional who has helped you address incidents of domestic violence, dating violence, sexual assault or stalking. The professional must state that they believe the incidents of abuse are real. Both you and the professional must sign the statement, and both of you must state that you are signing “under penalty of perjury.”
- Provide a police or court record, such as a protective order, or administrative record.

If you fail to provide one of these documents within the required time, the housing authority may evict you.

Confidentiality

The housing authority must keep confidential any information you provide about the violence against you, unless:

- You give written permission to the housing authority to release the information.
- The housing authority needs to use the information in an eviction proceeding, such as to evict your abuser.
- A law requires the housing authority to release the information.

If release of the information would put your safety at risk, you should inform the housing authority.

VAWA and Other Laws

VAWA does not limit the housing authority’s duty to honor court orders about access to or control of a public housing unit. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault or stalking.

For Additional Information

If you have any questions regarding VAWA, please contact _____ at _____.

For help and advice on escaping an abusive relationship, call the National Domestic Violence Hotline at 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).

Definitions

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

As used in VAWA:

- The term *affiliated individual* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
 - Any individual, tenant or lawful occupant living in the household of that individual.

VAWA defines ***domestic violence*** to include felony or misdemeanor crimes of violence committed by any of the following:

- A current or former spouse or intimate partner of the victim
- A person with whom the victim shares a child in common
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies
- 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

VAWA defines ***stalking*** as engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- Fear for his or her safety or others; or
- Suffer substantial emotional distress

VAWA defines ***dating violence*** as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

The term ***sexual assault*** means:

- Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks the capacity to consent

Chapter 17

COMMON AREAS

INTRODUCTION

This chapter contains information about the SFHA and its programs with emphasis on the Common Areas. It contains information that applies to all residents of the SFHA and their buildings.

Part I: The No Smoking Policy. This part includes the Statement of Operation and the Policy as it pertains to residents.

Part II: The Community Room Policy. This part pertains to the shared community rooms at the individual developments.

PART I: NO SMOKING POLICY

1. **Purpose of Non-Smoking Policy.** The parties desire to mitigate (i) the irritation and known health effects of second hand smoke; (ii) the increased maintenance, cleaning and redecorating costs from smoking; and (iii) the increased risk of fire from smoking.
2. **Definition of Smoking.** The term “smoking” means inhaling, exhaling, breathing or carrying or possessing any lighted cigarette, cigar, pipe or other tobacco product or similar lighted product in any manner or in any form. Electronic cigarette’s, including vapor products are considered “smoking” and must adhere to this Policy.
3. **Non-Smoking Area.** Resident agrees and acknowledges that the Premises and any interior common areas, including but not limited to individual units, community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices and elevators, occupied by Resident, members of Resident’s household and any guest of the Resident shall be smoke free. Resident also agrees that Resident, members of Resident’s household and any guest of the Resident shall refrain from smoking within 15 feet of any building entrances, exits, and operable windows and vents.
4. **Smoking Areas.** A Resident may smoke at the curb of the street, sidewalk, or alley closest to the Property; if there is no curb near the Property, at least 15 feet away from the building entrances, exits, and operable windows, vents, inside a residential unit when the front door is closed; the private outdoor area(s) of a residential unit (e.g., balconies and private yards, etc.); the outdoor common area of the residential building that is greater than 15 feet from a door or window located within its perimeter.
5. **Resident to Promote Non-Smoking Policy and to Alert Landlord of Violations.** Resident shall inform Resident’s guests of the non-smoking policy. Further, Resident shall promptly give Landlord a written statement of any incident where tobacco smoke is migrating into the Resident’s unit from sources outside of the Resident’s unit.
6. **Landlord to Promote Non-Smoking Policy.** Landlord shall post no-smoking signs at entrances and exits, in common areas and in conspicuous places adjoining the grounds of the Non-Smoking Area.
7. **Landlord Not a Guarantor of Smoke-Free Environment.** Resident acknowledges that Landlord’s adoption of a non-smoking living environment does not make the Landlord or any of its managing agents the guarantor of Resident’s health or of the non-smoking condition of the Resident’s unit and the common areas. However,

Landlord shall take reasonable steps to enforce the non-smoking terms of its leases and to make the Non-Smoking Area as smoke-free as is reasonably possible.

- 8. Effect of Breach and Right to Terminate Lease.** A breach of this Lease Addendum shall give each party all the rights contained herein, as well as the rights contained in the Lease. A material or continuing breach of this Addendum shall be a material breach of the lease and grounds for termination of the Lease by the Landlord.

PART II: THE COMMUNITY ROOM POLICY

II-I.A. OVERVIEW

The majority of the SFHA's developments offer Community Rooms for the benefit of those residents residing in the buildings. This policy has been created in order to ensure that all residents have the assurance that the community rooms may be utilized fairly by all.

II-I.B. SCHEDULING

The property office shall maintain the calendar of events for the community room located in their property. Only residents who are on the lease within the building/development where the community room is being requested may reserve the community room. A minimum notice period of 48 hours is required for all events occurring between Monday and Friday, 8:00am – 5:00pm and at least five (5) days notice for any events occurring after regular business hours, on the weekends, or on a holiday.

III-I.C. SECURITY DEPOSIT AND FEES

A security deposit of \$100 will be required for the booking of the Community Room and must be paid to the Property Office by check or money order at the time of the scheduling. Within 48 hours of the conclusion of the event the property manager will inspect the facility. Should it be determined that the Community Room was left in a worst condition than at the time it was rented, then the entire \$100.00 will be maintained by the property office. Should it be determined that the Community Room was left in the same condition or better than it was provided, then the \$100.00 deposit will be returned to the tenant. The determination is at the sole discretion of the property manager.

At no time will cash be accepted for the scheduling of the Community Room.

IV-I.D. SET UP AND CLEAN UP

The property manager or his/her designee will provide a walk through with the tenant booking the Community Room prior to the event, as well as after the event identifying the condition that the room is expected to be in upon the completion of the event. Should the tenant not attend the walk through, the Property Manager has the discretion to deny the request to use the Community Room. The tenant who has requested to reserve the Community Room is responsible for setting up and cleaning for their occasion. This includes setting up any chairs and tables that may be available at the site, putting up decorations as well as leaving the room free of garbage and or any other items that were not present at the time of the reservation.

V-I.E. REQUIREMENTS

The SFHA will require the following for all events:

- No drugs or alcohol of any kind shall be allowed in the Community Room
- No decorations will be permitted that require an open flames, this includes candles, incents, and indoor barbeques
- Any events that occur on the weekends after 5:00pm, holidays after 5:00pm or after hours where the expected population will surpass 50 individuals will require the tenant to hire private security at their own cost and provide verification of the contracted security.
- All residents must enter into a Community Room agreement at the time that the deposit is made to reserve the room.
- Residents must respect others reserved space

V-I.F. TENANT ASSOCIATION EXCEPTION

Tenant Associations may use their buildings/development Community Room for Tenant Association meetings and Tenant Association sponsored events pending availability and approval by the Property Manager of the development at no cost to the tenant association.

V-IG. BUILDING EXCEPTION

Upon conversion of management, buildings will abide by the designated house rules set by the property management company responsible for managing the building.

APPENDIX A



San Francisco Housing Authority Policy: Limited English Proficiency Plan

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1.0	Date of Implementation, Approval Authority, Policy Number
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6.0	Implementation Procedures

1.0 *Effective May 24, 2010; Policy Number 1*

2.0 *Purpose of the Policy & Plan Statement*

The San Francisco Housing Authority (“SFHA”) has adopted this plan to provide meaningful access to its programs and activities by persons with Limited English Proficiency (“LEP”). In accordance with Federal guidelines, the SFHA will make reasonable efforts to provide or arrange free language assistance for its LEP clients, including applicants, recipients and/or persons eligible for public housing, Section 8/Housing Choice Vouchers, homeownership and other SFHA programs.

3.0 *Detailed Policy Statement*

3.1 Meaningful Access: Four Factor Analysis

Meaningful access is free language assistance in accordance with Federal guidelines. No less than every five (5) years, The SFHA will assess and update the following four-factor analysis, including but not limited to:

- 1) The number or proportion of LEP persons eligible to be served or likely to be encountered by the SFHA;
- 2) The frequency with which with LEP persons using a particular language come

RACE	Total	Percentage	into contact with the SFHA;	
WHITE	338,466	44.68%		
BLACK	50,750	6.70%	3)	T
			he nature and importance of the SFHA program, activity or service to the person's life;	
			4)	T
			he SFHA's	
			resources and the cost of providing meaningful access. Reasonable steps may cease to be reasonable where the costs imposed substantially exceed the benefits.	

3.1.1 Factor One

The number or proportion of LEP persons eligible to be served or likely to be encountered by the SFHA: This determination will be made based on U.S. Census Bureau data and language preference data compiled by SFHA. The U.S. Census Bureau's American Fact Finder for the County of San Francisco, provides the following statistics for the 757,064 total population:

AMERICAN INDIAN	1,672	0.22%
ASIAN	238,344	31.46%
NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER	3,228	0.43%
HISPANIC	105,790	13.96%
OTHER	19,354	2.55%
	757,604	100.00%

The SFHA language preference data compiled based on reports generated from the SFHA PHAMS client file computer system, produced the following statistics on clients we currently serve:

LANGAUGE	total	percentage
N/A	678	1.22%
CAMBODIAN	134	0.24%
CANTONESE	12780	22.91%
ENGLISH	29939	53.67%
FARSI	66	0.12%
KOREAN	324	0.58%
LAOTIAN	39	0.07%
MANDARIN	878	1.57%
RUSSIAN	2958	5.30%
SAMOAN	272	0.49%
SPANISH	3715	6.66%
TAGALOG	721	1.29%
VIETNAMESE	3283	5.88%

55787 100.00%

A determination as to whether 5 percent of the SFHA clientele speaks a specific language will trigger consideration of vital document translation.

3.1.2 Factor Two

The frequency with which with LEP persons using a particular language come into contact with the SFHA: This determination will be made based on the reports generated from sign-in sheets at SFHA offices. These sign-in sheets track the frequency and types of language assistance requested by SFHA clients.

3.1.3 Factor Three

The nature and importance of the SFHA program, activity or service to the person's life: SFHA adheres to the philosophy that housing is essential and extremely important. Thus, when a staff member engages a client in a discussion involving the client's rights to benefits, programs or services offered by the SFHA, the staff member must determine whether failure to provide language assistance would result in a substantial delay that would adversely affect the client's rights.

3.1.4 Factor Four

The SFHA's resources and the cost of providing meaningful access: The SFHA will utilize a combination of procured vendors and SFHA multi-lingual staff members as professional, competent translators and interpreters. SFHA will procure qualified vendors to provide written translations of vital documents, as well as oral interpretation for languages not spoken by SFHA staff members. SFHA staff members who agree to serve as trained oral interpreters will receive additional compensation for demonstrating proficiency in multiple languages, participating in interpreter/cultural competency training, and serving as oral interpreters.

Additionally, SFHA will establish partnerships with city departments/agencies and community organizations to provide volunteer interpreter services for our clients, as an alternative when professional interpreters (procured vendors and SFHA staff members) are unavailable. As a last resort, SFHA will allow clients to waive their right to professional and/or volunteer language services, so that clients may utilize friends or family members (who are not minors) as oral interpreters.

3.2 Language Assistance

A person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English may be a Limited English Proficient (LEP) person and may be entitled to language assistance with respect to SFHA programs and activities.

SFHA staff will take reasonable steps to provide the opportunity for meaningful access to LEP clients who have difficulty communicating in English. The staff will use the LEP Language Chart to identify the language spoken/written by the applicants/participants. Staff will also use the Personal Declaration form at every admission and re-certification to update the translation/interpretation services needed for each household.

The SFHA will assess client needs for language assistance based on requests for interpreters and/or translation, as well as the literacy skills of clients. The SFHA will track client requests for language assistance using sign-in sheets at SFHA office locations. The SFHA will track clients' identified language preferences using the SFHA PHAMS computer system.

The SFHA will distinguish between language assistance provided in the form of 1) written translations, and 2) oral interpretations.

3.2.1 Written Translations

The SFHA will weigh the costs and benefits of translating documents for potential LEP groups, considering the expense of translating the documents, the barriers to meaningful translation or interpretation of technical housing information, the likelihood of frequent changes in documents, the existence of multiple dialects within a single language group, and other relevant factors. The SFHA will undertake this examination when an eligible LEP group constitutes five percent of an eligible client group.

Based on the Four-Factor analysis, SFHA translates vital documents to Chinese (Cantonese), Russian, Spanish and Vietnamese. Vital documents are listed in the LEP Plan Procedure.

A client may request oral interpretations of the above documents into languages not listed above. A client may also request oral interpretations of documents not translated.

As opportunities arise, the SFHA may work with other housing authorities to share the costs of translating common documents, which may include language groups, which currently do not reach the threshold level in the SFHA's client population.

The SFHA will require a client to certify that the client understood the document translated with the Translation Certification Document.

The SFHA staff member will also explain to the client that any written translations of SFHA or HUD forms are not the official/legal version of the form. Vital document translations are used for the sole purpose of helping the LEP client understand the contents of the document. When a staff member uses a vital document translation to help a client understand a document, the client will only sign documents and forms in the English version.

3.2.2 Oral Interpretations

The SFHA will provide interpreters, including multi-lingual staff and procured vendors at important stages, including, but not limited to Initial Eligibility, Re-Certification and Formal/Informal Hearings. written translation and verbal interpretation services will be provided consistent with the four-factor analysis detailed above.

In cases of Formal/Informal Hearings an SFHA staff interpreter may not be a subordinate to the SFHA staff member rendering a decision on the client's hearing.

The SFHA will require a client to certify that the client understood the matter communicated and/or document interpreted with the Translation Certification Document and/or Interpretation Certification Document.

After the SFHA has offered free interpreter services, if an LEP client prefers to use an informal interpreter, such as a friend or family member (who is not a minor), the informal interpreter may interpret. In these cases the client and interpreter of choice will sign a waiver of free interpreter services.

4.0 *Applicability*

This policy applies to all management and staff of the SFHA. Failure to comply with this policy can result in termination of employment.

5.0 *Cognizant Offices / Getting Help*

Questions about this policy should be addressed to the LEP Manager.

**San Francisco Housing Authority Procedure:
Limited English Proficiency Plan Procedures**

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6.0 Overview

The overall objective of Limited English Proficiency Plan Procedures (LEP Procedure) is to provide free language assistance for the San Francisco Housing Authority (SFHA) clients, including but not exclusive to applicants, recipients, and/or persons eligible for public housing, Section 8/Housing Choice Vouchers, homeownership and other SFHA programs. The function of the LEP Procedure is to ensure that the SFHA employees implement the LEP Plan Policy (LEP Plan), so that individuals needing language assistance, who come in contact with the SFHA, will have meaningful access to the services, benefits and programs provided by the SFHA. The LEP Procedure will be used by SFHA employees in various situations, described below in section 4.0.

7.0 Areas of responsibility

The individuals responsible for aspects of daily control and coordination of the LEP Procedure and authority to approve exceptions to the procedure include: Nicole McCray-Dickerson and Pamela Palpallatoc. Pamela Palpallatoc will serve as the LEP Manager. Departments responsible for procedural implementation include all departments and properties of the SFHA.

3.1 Scope of Each Department's Responsibilities Under the LEP Plan

Department	Responsibilities Under LEP Plan (list is not exhaustive)
Front Desk/ Reception at 1815 Egbert	Welcome LEP clients to SFHA main office; determine if clients need LEP services, including oral interpretation and written translation; determine if clients need grievance procedure information; track language preferences of clients who come to the SFHA office; provide records of language

	preferences to managers
Section 8	Determine language preferences of existing clients and new admissions; determine whether clients who meet in-person/speak on the phone with department staff need written translations of documents/forms and/or oral interpretation
Public Housing	Determine language preferences of existing clients and new admissions; determine whether clients who meet in-person/speak on the phone with department staff need written translations of documents/forms and/or oral interpretation; determine language services needed by residents affected by relocation
Office of General Counsel	Review and monitor LEP Plan and Procedure compliance with federal regulations, other laws and HUD guidance
Finance	Determine whether LEP vendors (e.g. landlords for Section 8 voucher programs/public housing) require interpreters for billing related issues
Commission	Determine whether LEP attendees need interpreters during commission meetings
Ombudsman	Determine whether LEP clients in grievance proceedings require interpreters or written translations
Human Resources	Provide new hires at orientation with handouts informing the new hires about the LEP Plan and Procedure; verbally inform new hires about the existence of the LEP Plan and Procedure
Executive Office	Assist in monitoring and modifying LEP Plan and Procedure; oversee and submit quarterly reports on progress and implementation of LEP Plan and Procedure to FHEO and HUD
IT	Assist all departments with tracking data on the frequency and types of languages encountered by SFHA employees in their interactions with clients
Modernization	Determine whether LEP vendors require interpreters for contractual agreements

8.0 *Procedure details*

4.1 List of Potential SFHA – LEP Client Interactions (list is not exhaustive)

- Front Desk/Reception

- Eligibility
- Personal Declaration and Translation Certification
- Annual Re-Certification
- Mail Correspondence
- Telephone Contact
- Vendors/Contractors
- Landlords
- Termination
- Inspection
- Lease Signing
- Eviction
- SFHA website

4.2 “How To” Assist an LEP Client In-Person

4.2.1 Written Translations: Translation Protocol

Vital Documents: HUD has defined “vital documents” to be those forms or documents that are critical for ensuring meaningful access, or awareness of rights or services, of federally funded services or benefits. SFHA documents which have been identified as vital documents and translated from English to Cantonese, Russian, Spanish, and Vietnamese are listed on the LEP Translated Documents Chart. *See Appendix c.*

Unless a translated document has been obtained from HUD resources, document translation has been and will be performed by International Effectiveness Center (IEC), a professional and competent translation service. All translated documents will note whether HUD or IEC performed the translation.

Vital document translations are used for the sole purpose of helping the LEP client understand the contents of the document. When a staff member uses a vital document translation to help a client understand a document, the client will only sign documents and forms in the English version. The signed English version of a form is the official, legally binding document. The translated version of a form or document, whether signed or not, is not legally binding. Interpreters will be trained to use the English version of a form as the official signature form.

Interpreters will be trained to explain to the LEP client that: 1) the translated version of the form is an accurate translation of the English version, 2) the English version must be signed, and 3) the English version is the only legally binding document.

Translation Certification Document: If a staff member utilizes a written translation to assist an LEP client, the staff member must obtain a signed Translation Certification from the client. *See the **Appendix b**.* The document will be kept in the client's file, and used in the review and modification of the LEP Plan and Procedure. A procedure for how this data will be tracked and maintained will be developed by the end of the first quarter of 2012.

Oral translation for documents not translated by SFHA: If a client requires language assistance to understand a document not translated by SFHA, e.g. because the document is not on the SFHA Vital Documents List, the staff member must follow the protocol in the Oral Interpretation section 4.2.2 below.

4.2.2 Oral Interpretations: Interpretation Protocol

The SFHA will provide a bilingual staff interpreter to provide free oral interpretation services to an LEP client. *See Training section 4.8 below for details regarding interpreter competence and qualifications.*

*See **Appendix m** for the list of SFHA Staff Oral Interpreters as of December 16, 2010.*

If a bilingual staff interpreter is unavailable to provide oral interpretation in the LEP client's preferred language, the staff member managing the client's case must determine whether the discussion is one involving the client's rights to benefits, programs or services offered by the SFHA. If the staff member determines that the client's rights are involved, and a substantial delay would adversely affect the client, the staff member must provide the client with an interpreter through Calls Plus or other specified vendor. *See note below regarding official procurement for a vendor for telephone language services.*

If the staff member determines that a delay would not adversely affect the client's rights to benefits, programs or services offered by the SFHA, or if Calls Plus is unavailable for use as an interpreter, the staff member can explain to the client the following alternatives:

- 1) the client can wait to handle his/her issue until a formal interpreter who can accommodate the client's language preferences can be located and scheduled for interpretation services, or
- 2) the client can wait to handle his/her issue until a community volunteer interpreter who can accommodate the client's language preferences can be located and scheduled for interpretation services, or
- 3) the client can provide his/her own informal interpreter (family member, friend, privately hired) and sign a Voluntary Waiver of his/her right to free interpreter services offered by SFHA.

Interpretation Certification Document: If a staff member serves as or utilizes a formal or informal interpreter to assist an LEP client, the staff member must obtain a signed Interpretation Certification from the client. Formal interpreters include trained staff members listed on the staff interpreter list and procured contract interpreters. Informal interpreters include community volunteers, family members or friends of the LEP client (who are not minors), and interpreters hired by the LEP client. The document will be kept in the client's file, and used in the review and modification of the LEP Plan and Procedure. A procedure for how this data will be tracked and maintained will be developed by the end of the first quarter of 2012. *See the Appendix c for a copy of the Interpretation Certification Document.*

***Note:** Currently Calls Plus is procured to provide emergency phone services for SFHA. Calls Plus is also a potential vendor for telephone language services; however, Calls Plus has not been officially procured by SFHA as the official vendor of telephone language services for SFHA. SFHA is in the process of procuring a qualified vendor and will be able to complete the procurement process in 90 days. When an official vendor has been procured, the LEP Procedure will be updated and staff will be notified.*

4.2.3 Client Grievances

All SFHA clients will be notified about the availability of grievance procedures regarding LEP services and other SFHA issues with the Notice of Availability of Grievance Procedures, which will be attached as a cover sheet to the Personal Declaration form. *See **Appendix d** for a copy of the Notice of Availability of Grievance Procedures.*

The SFHA website also contains information about the SFHA Grievance Procedures, including details about the Administrative Plan (Admin Plan), which provides grievance procedures for Section 8 participants, and the Admission and Continuing Occupancy Plan (ACOP) for Public Housing participants. Copies of the Admin Plan and ACOP, and available translations of relevant grievance documents, are available to potential LEP clients at the Office of the Ombudsman and on the SFHA website.

Currently, the Admin Plan and ACOP have not been translated into the languages identified in the LEP Plan. The SFHA Grievance Procedures are in the process of being revised and updated. *See <http://sfha.org> (Section 8, Grievance Procedure & Public Housing, Grievance Procedure) for a copy of the current Admin Plan and ACOP.* While the procedures are being revised and updated, SFHA will provide oral interpretation services to LEP clients who have grievances. Once the grievance procedures have been updated, SFHA will identify the vital documents of the updated grievance procedures, and obtain translations of those documents in the languages identified in the LEP Plan.

4.3 “How To” Assist an LEP Client with Specific Documents

When using specific documents to assist an LEP client, make sure to check the SFHA public folder located at H://Everyone/LEP for the most updated version of the LEP document. LEP related documents will be dated in the left or right bottom corner of the document. The LEP Manager will update the public folder to store the most updated versions of LEP documents for staff members’ use of the documents. The LEP Manager may also send email updates to SFHA staff regarding updates of documents, and instructions regarding obsolete versions of

documents.

4.3.1 Front desk sign-in sheet and LEP Language Chart

See the Appendix for a sample sign-in sheet and the LEP Language Chart.

Step 1: Receptionists stationed at the front desk must ask each individual to sign-in upon entering the SFHA 1815 Egbert Avenue office.

Step 2: The receptionist interacting with the individual must make an assessment as to whether the individual may require language services.

The individual may self-identify, by writing on the sign-in sheet language column, that they require oral interpretation or written translation of SFHA documents.

If the individual does not self-identify a language preference on the sign-in sheet, the receptionist can direct the individual to specify a language preference by pointing to the LEP Language Chart. If the individual points to a specific language preference on the LEP Language Chart, the receptionist should write-in the language identified on the sign-in sheet. If the receptionist determines that the individual requests language assistance in a language not specified on the LEP Language Chart, the receptionist should do his/her best to identify the language preference and write it on the sign-in sheet.

Step 3: Once the receptionist confirms that the individual requires LEP services, the receptionist should determine what type of LEP services are required by the individual, i.e. oral interpretation or written translation. This determination will be dependent on the nature of the individual's visit to the SFHA office. Once the receptionist makes this determination, the receptionist should follow the protocol for LEP Oral Interpretation or LEP Written Translation.

Step 4: If the individual has not already specified that they require oral interpretation, written translation, or both services, the receptionist should write in the language column of the sign-in sheet which LEP services the client has requested.

Step 5 : The receptionist should inform/remind the client that they may call the SFHA during normal business hours preferably one week in advance of his/her visit

to request LEP services, to ensure that an oral interpreter or translated documents will be available upon his/her arrival and prevent any delays for the scheduled appointment/drop-in visit.

4.3.2 Personal Declaration

Step 1: Once the SFHA staff member has determined the language preference of the client, the staff member should refer to the LEP Translated Documents Chart to determine if the Personal Declaration has been translated into the client's preferred language. *See Appendix c for Translated Documents Chart.*

Step 2: If the Personal Declaration has already been translated into the client's preferred language, the staff member should follow the protocol for LEP Written Translation. If the Personal Declaration has not been translated into the client's preferred language, the staff member should follow the protocol for LEP Oral Interpretation.

Note: This is the procedure for use of the Personal Declaration form by all SFHA staff members, including the Section 8 and Public Housing departments.

4.4 "How To" Assist an LEP Client During a Telephone Conversation

If an SFHA employee has telephone contact with a client and determines that the client requires language assistance, the SFHA employee must follow the protocol for oral interpretation. *See above Oral Interpretation section 4.2.2.*

4.5 Notice of Rights to Language Assistance

4.5.1 SFHA Website

The SFHA website currently includes a "Google Translate" toolbar on each webpage of the SFHA website. The toolbar translates the English version of the SFHA website into over 50 different languages, including the languages identified in the LEP Plan. *See Appendix g for a copy of a screenshot of the SFHA website with Google Translate toolbar.*

The LEP Plan Manager will work with the Webmaster to make the toolbar more pronounced, e.g. by adding an international symbol near the toolbar, so that toolbar will be more visible and user friendly.

4.5.2 Mail Correspondence

Beginning in December 2010, staff members mailing correspondence to SFHA clients will include the updated LEP Information Mailer in **all correspondence to all clients**. This will help to ensure that all clients receive notification of the new LEP services offered by SFHA.

The LEP Services Information Mailer will serve to notify potential LEP clients of the language assistance services, including written translation and oral interpretation, offered by the SFHA. *See the **Appendix h** for a copy of the LEP Information Mailer.*

If it is determined based on the procedures for modification of the LEP Plan that languages should be added or subtracted from the Plan, the December 16, 2010 Mailer will be modified and re-translated to meet the required modifications and mailed to all clients for the equivalent of one full quarter.

Because past mailers did not comply with federal regulations, mailers sent after this LEP Procedure is executed will be dated. This will help clients identify the most current LEP Plan information.

4.6 LEP Plan and Procedure Training and Distribution to Current SFHA Employees

All SFHA employees will be given a copy of the LEP Plan and Procedure at an LEP training workshop scheduled for the month of December 2010.

During the first two years of Plan and Procedure implementation (December 2010 – December 2012), SFHA employees will be required to attend an LEP training workshop bi-annually. After the first two years of Plan and Procedure implementation, beginning in January 2013, SFHA employees will be required to attend an LEP training workshop annually.

The substance of the initial training workshop will involve introducing the staff to the LEP Plan and Procedure, distribution of the Plan and Procedure, distribution of the LEP Language Chart, and cultural competency.

The initial training workshops scheduled for December 2010 will be facilitated by Pamela Palpallatoc, LEP Manager, under the direction of Nicole McCray-Dickerson. Pamela Palpallatoc is qualified to administer the training workshops based on her legal and public policy training, as well as her professional experience facilitating diversity workshops.

Subsequent training workshops scheduled after January 2011 will be facilitated by the LEP Manager.

Each training workshop will be designed to highlight the potential LEP client interactions and issues the group will encounter based on their positions/departments.

The training workshop facilitator will mark an attendance sheet to record which employees received the training.

Any employee who misses a scheduled training due to an absence for the work day will be required to schedule a make-up workshop with the workshop facilitator.

All employees who complete a training workshop will sign and submit the Receipt of LEP Plan and Procedure Signature Page, to document receipt of the most updated Plan and Procedure. The Receipt of LEP Plan and Procedure Signature Page will be stored in the employee's file.

SFHA employees are encouraged to suggest methods of improving the LEP Procedure while participating in the LEP training workshops.

4.7 LEP Plan and Procedure Distribution to New Employees

The LEP Manager will coordinate with the Human Resources department to train Human Resources staff members, who conduct New Hire Orientation, to distribute and explain the LEP Plan and Procedure to new employees of the SFHA.

New Hire Orientation is administered by a Human Resources staff member on a new employee's first day of employment for the SFHA. New employees will be required

to sign and submit the Receipt of LEP Plan and Procedure Signature Page, to document receipt of the Plan and Procedure. The Receipt of LEP Plan and Procedure Signature Page will be stored in the employee's file.

4.8 Training SFHA Staff Employees to Serve as Interpreters

The Human Resources department is currently working to obtain a Memorandum of Understanding (MOU) with the City and County of San Francisco to secure professional interpreter training for SFHA bilingual employees. SFHA expects to finalize the MOU by the end of the second quarter of 2011.

In the interim, SFHA will work with the LEP Committee and community organizations to secure and schedule cultural competency and interpreter training for SFHA's bilingual employees. The training will address: 1) how interpreters adhere to the role of interpreter without deviating into a role as a counselor, legal advisor, or other roles; 2) developing and maintaining specialized knowledge of the area of service or programs that the LEP clients are applying to or participating in; and 3) how to be competent and knowledgeable in providing interpretation that preserves confidentiality.

4.9 LEP Committee

Procedures for selection of committee members and standing rules for committee meetings will be established at the next LEP Committee meeting. The LEP Procedures will be modified by the second quarter of 2011 to include the LEP Committee member selection procedures and standing rules.

4.10 Monitoring LEP Plan and Procedure

4.10.1 Data from 1815 Egbert Avenue front desk sign-in sheet

Step 1: At the end of each work week, the front desk staff must take the data entered onto the sign-in sheets (specifically the data reflecting the frequency of contact with individuals requiring language assistance, and the language preferences indicated) and input the data into a database stored on the SFHA system.

Step 2: The front desk staff uses the data entered into the database to generate a spreadsheet/report of all the individuals encountered by the front desk staff during that work week.

Step 3: The front desk staff must submit the printed or emailed report to the LEP Manager.

Step 4: The LEP managers will maintain the data for use in the quarterly review of the LEP plan and modification of LEP services.

The data is also maintained for quarterly reports submitted by the Executive Office to HUD and/or other regulatory entities.

4.10.2 Data from current participant files in PHAMS

When a staff member handles a new admission or annual re-certification, the staff member will confirm/update the client's language preference. The staff member will determine whether the client has a language preference and enter the language preference into PHAMS.

Quarterly, the LEP Manager will compile a report listing the language preference of each participant in PHAMS. The LEP Manager will conduct an initial analysis of whether the data requires a modification of the LEP Plan and Procedures, i.e. adding or subtracting languages from the LEP Plan. If the LEP Manager determines that the LEP Plan and Procedures should be modified based on this data, the LEP Manager can present this information at the next calendared LEP Committee meeting.

4.11 Modifying the LEP Plan and Procedure

4.11.1 Adding or subtracting languages from the LEP Plan

Annually, the LEP managers will review the data compiled by the front desk and the reports generated by PHAMS to determine whether languages should be added or subtracted from the LEP Plan. The LEP managers must make this determination based on the threshold established in the LEP Plan Policy. *See LEP Plan section on Meaningful Access: Four Factor Analysis.*

Every five (5) years, the LEP Plan itself will be reviewed and modified to ensure that the Plan and its objectives ensure meaningful access to the services, benefits and programs for LEP clients. The data compiled from the front desk and PHAMS will also be used in the review and modification process.

4.11.2 Revising the LEP Procedure

The LEP managers will be responsible for updating the LEP Procedure as often as necessary for the SFHA staff to implement the objectives of the LEP Plan and adhere to federal regulations and other laws. The LEP Procedure must be reviewed and updated at least annually, but there are no restrictions on the amount of times the LEP managers can revise the Procedure in one year.

Before the LEP managers finalizes a modification of the LEP Procedure, The LEP managers should have at least one SFHA employee from each department review any new or revised procedures relevant to his/her department.

SFHA employees are encouraged to suggest methods of improving the LEP Procedure while participating in the LEP training workshops.

Appendix B:
SAN FRANCISCO HOUSING AUTHORITY
ADMISSIONS AND CONTINUED OCCUPANCY POLICY
TEMPORARY POLICY ADDENDUM

Self-Certification of assets of \$5000 or less

INTRODUCTION

On January 22, 2013 HUD issued Notice PIH 2013-03. While originally effective until March 31, 2014, Notice PIH 2013-26 subsequently extended the expiration date to March 31, 2015 and HUD will not be providing a further extension of this notice. This notice acknowledges and addresses the budget and staff constraints that PHAs have had to face in recent years. To address these burdens, the notice gives optional methods to reduce administrative burden. The SFHA adopted the following provisions from the original Notice.

Implementation Term

Policies contained in this temporary addendum will override existing Admissions and Continued Occupancy Policies (ACOP). Notices from HUD extending these provisions will automatically extend SFHA adoption of these policies without further Board action. At such time that a final expiration date occurs, and HUD has not issued an extension, these temporary provisions shall cease to be effective and staff shall implement all other existing policies.

SELF-CERTIFICATION OF ASSETS OF \$5,000 OR LESS

This option permits the SFHA to temporarily accept family self-certification of assets when the total net value of the family's assets does not exceed \$5,000. The option reduces administrative burden by eliminating the time-consuming verification process for assets which have minimal impact on the family's subsidy level.

The family's self-certification on application and reexamination forms may be accepted when all adult family members sign the applicable form.

The SFHA must continue to report all assets on Form HUD-50058, including assets of families with net assets which do not exceed \$5,000.

If the family's assets exceed \$5,000 in net value, the SFHA must verify the assets according to existing SFHA policy.

SFHA Policy

For families whose assets do not exceed \$5,000 in net value, the SFHA will accept family self-certification of asset value and anticipated income.

The SFHA may require additional verification if necessary to document that assets do not exceed \$5,000 in net value.

STREAMLINING OF ANNUAL REEXAMINATIONS FOR ELDERLY AND DISABLED FAMILIES ON FIXED INCOMES

For elderly and disabled families with fixed incomes, the SFHA will recalculate annual income by applying any published COLA to previously-verified amounts. Current documentation of fixed income is not required.

If the family receives any income from a non-fixed income source, the SFHA will not streamline the annual reexamination.

Appendix C:
SAN FRANCISCO HOUSING AUTHORITY
ADMISSIONS AND CONTINUED OCCUPANCY POLICY
TEMPORARY POLICY ADDENDUM

Fair Credit Reporting Act Data Furnishing Policy

I. Introduction

The San Francisco Housing Authority (SFHA), in partnership with various City and County of San Francisco agencies, received a grant from the Department of Treasury to study the effect that accessibility of electronic rental payments have at different developments. The SFHA has selected the following four developments where the grant will be implemented in July of 2015: Sunnydale, Alice Griffith, Potrero Terrace/Annex and Hunter's View. The study will require that tenants, who authorize release of their information, will share their rental payments to Experian Credit Bureau. The payments will build their credit. The following is policy written solely for purposes of clarifying the reporting policy and means for tenants to grieve any reports that may be inaccurate.

II. Background.

- A. **In General.** The San Francisco Housing Authority ("SFHA") is engaged in, among other things, the business of managing residential rental properties owned by it. As part of this management business, the SFHA collects rental payments from Tenants with respect to these rental properties. The SFHA intends to furnish information to Experian ("Experian"), a Tenant reporting agency, regarding the SFHA's transactions and experiences with Tenants relating to their payment histories for residential properties that the SFHA and others have rented to such Tenants.
- B. **Purpose.** This Fair Credit Reporting Act Data Furnishing Policy ("Policy") is designed to comply with the requirements that the federal Fair Credit Reporting Act ("FCRA") imposes on furnishers of information to Tenant reporting agencies, including the federal rules implementing the FCRA requirement that each furnisher must establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information relating to Tenants that it furnishes to a Tenant reporting agency. *See, e.g.*, 15 U.S.C. § 1681s-2; 16 C.F.R. pt. 660.

- III. Objectives.** This Policy is designed to ensure, among other things, that:

- A. information furnished by the SFHA to Experian is provided with the written authorization of the tenant;
- B. Information provided to Experian identifies the appropriate Tenant, reflects the terms of, and liability for, the Tenant's rental agreement and reflects the Tenant's performance with respect to such rental agreement;
- C. information furnished by the SFHA to Experian is substantiated by the SFHA's records at the time it is furnished;
- D. information is furnished by the SFHA to Experian in a form and manner that is designed to minimize the likelihood that the information may be incorrectly reflected in a Tenant report by, among other things, being furnished in a standardized and clearly understandable form and manner and with a date specifying the time period to which the information pertains;
- E. information furnished by the SFHA to Experian is updated, as necessary, so that it reflects the current status of the Tenant's account; and
- F. SFHA conducts reasonable investigations of Tenant disputes regarding information that the SFHA has furnished to Experian, where required, and takes appropriate actions based on the outcomes of such investigations.

IV. **Furnishing Generally.**

- A. **In General.** The SFHA will not furnish any information relating to a Tenant to Experian that the SFHA knows is not accurate or that the SFHA has specific knowledge that would cause a reasonable person to have substantial doubts about the accuracy of the information.
- B. **Method.** The SFHA will furnish information to Experian in an automated and electronic fashion. Specifically, Experian will electronically collect information from the SFHA's account management system. The data transmission mechanism has been designed by Experian specifically to allow furnishers, like the SFHA, to provide Experian with the data types that Experian requires in an automated, electronic and standardized form and format.
- C. **Frequency.** The SFHA will furnish information to Experian on a daily basis, weekly or monthly basis as agreed. As a result, any changes made by the SFHA to information regarding a Tenant in its account management system and regarding which the SFHA furnishes to Experian generally will be transmitted to Experian

within seven (7) days of such information being updated or entered into the account management system.

D. **Data.** The SFHA will furnish the following types of information, where applicable, regarding a Tenant that has a rental agreement for a residential property managed by the SFHA.

1. the identifying information relating to the Tenant that is requested by Experian, specifically: (a) first and last name; (b) date of birth; and (c) full address for place of residence (street, city, state and zip code) or that information authorized to provide by the Tenant to Rent Bureau;
2. identifying information relating to the property rented by the Tenant, including: (a) property name; (b) property address (street, city, state and zip code); and (c) property phone number; and
3. information regarding the rental agreement and the Tenant's payment performance with respect to the rental agreement, including: (a) status (current (open) or historical (closed)); (b) lease start and end dates; (c) move-in date; (d) date of last activity; (e) monthly rent amount; (f) date of last payment; (g) late payment status; and (h) information regarding late payment history (*e.g.*, total number of late payments in the most recent 24 months) or that information authorized to provide by the Tenant to Rent Bureau.

V. **Procedures.**

- A. **Rental Agreements.** The SFHA employee or other personnel ("Property Manager") shall follow standard SFHA procedures with respect to, and shall be responsible for, entering each new and amended rental agreement with a Tenant into the account management system.
- B. **Rental Payments.** When a Tenant makes a rental payment, the Property Manager responsible for the property shall enter a record of such rental payment into the account management system.
- C. **Discrepancies.** Whenever the SFHA has reason to believe that any information provided by a Property Manager may not be accurate (*e.g.*, a record of payment is not consistent with a copy of payment or the deposit), the SFHA shall reconcile the discrepancy and, where appropriate, enter updated and accurate information into the account management system.

- D. **Updates.** The SFHA shall, as appropriate, delete, update and correct information in the account management system regarding a Tenant where necessary to ensure that information contained in the account management system regarding such Tenant is accurate. By correcting information in the account management system, such information will be promptly updated at Experian.
- E. **Recordkeeping.** The SFHA shall maintain a record of each rental agreement and rental payment for a period of not less than one (1) year following the Tenant's move-out date from the relevant property.
- F. **Disputes.** The SFHA shall conduct reasonable investigations of Tenant disputes regarding information the SFHA has furnished to Experian, in accordance with the requirements of Section V.
- G. **Testing.** Not less than annually, the SFHA shall verify the accuracy of a random sample of information provided to Experian.
- H. **Training.** The SFHA shall provide training to its staff regarding the SFHA's standard procedures for entering rental agreement and payment records into the account management system, including verifying information where discrepancies are identified and updating information where appropriate, and the need for entering accurate information into the account management system.

VI. Tenant Disputes.

- A. **In General.** The SFHA will conduct a reasonable investigation of:
 - 1. any Tenant dispute regarding the accuracy or completeness of information furnished to Experian by the SFHA that is forwarded to the SFHA by Experian; and
 - 2. any dispute submitted directly to the SFHA by a Tenant concerning the accuracy of any information furnished to Experian, contained in a Experian Tenant report and pertaining to an account that the SFHA has or had with the Tenant ("Direct Dispute") that relates to:
 - a. the Tenant's liability for a rental agreement, such as a Direct Dispute relating to whether there is or has been identity theft or fraud against

the Tenant or whether there is individual or joint liability for the rental agreement;

- b. the terms of a rental agreement with the SFHA, such as a Direct Dispute relating to the balance or scheduled payment amount on the account; or
- c. the Tenant's performance or other conduct concerning a rental agreement with the SFHA, such as a Direct Disputes relating to the current payment status, amount owed, the date or amount of a payment or the date the agreement was terminated.

B. SFHA Dispute Address. The SFHA will provide Experian with a SFHA address that Experian will include in all Tenant reports provided to end users that include information furnished by the SFHA and to which Tenants may submit Direct Disputes to the SFHA regarding information that the SFHA has provided to Experian.

C. Resolving Disputes. After receiving a Tenant dispute from Experian or receiving a Direct Dispute from a Tenant, SFHA will:

- 1. review all relevant information provided by, as applicable, Experian or the Tenant;
- 2. conduct a reasonable investigation with respect to the disputed information;
- 3. complete the investigation within thirty (30) calendar days; and
- 4. if the investigation finds that the information reported was not accurate or complete, promptly update the account management system.

D. Investigations of Direct Disputes Not Required. SFHA will not investigate a Direct Dispute if the Dispute relates to the following information included in a Experian report or a report using Experian data:

- 1. the Dispute relates to the Tenant's identifying information, such as name, telephone number or address as reflected in a Experian report;
- 2. the Dispute relates to the identity of the Tenant's past or present employer as reflected in a Experian report;

3. the Dispute relates to inquiries or requests for a Tenant report;
4. the Dispute relates to information related to fraud alerts or active duty alerts;
5. the Dispute relates to information provided to Experian by another furnisher;
6. if the Tenant did not provide sufficient information to identify the rental agreement that is in dispute, the specific information that the Tenant is disputing or an explanation of the basis for the dispute or any supporting documentation or other information reasonably required by **SFHA** to substantiate the basis of the dispute;
7. the Dispute is substantially the same as a dispute previously submitted by, or on behalf of, the Tenant, either directly to **SFHA** or through Experian, with respect to which **SFHA** has already satisfied the applicable requirements of this Section V, provided that a Direct Dispute is not substantially the same as a dispute previously submitted if the Dispute includes information listed in Section V.D.7 that had not previously been provided to **SFHA**; or
8. **SFHA** has a reasonable belief that the direct dispute was submitted by and prepared on behalf of the Tenant by or was submitted on a form supplied to the Tenant by a credit repair organization.

E. Notices to Experian.

1. If **SFHA** receives a dispute from a Tenant regarding the completeness or accuracy of any information furnished by **SFHA** to Experian, **SFHA** shall promptly provide notice to Experian that such information has been disputed by the Tenant if **SFHA** intends to furnish such information again.
2. If **SFHA** furnishes information to Experian regarding a rental agreement being placed for collection, charged to profit or loss or subjected to similar action, **SFHA** shall, within ninety (90) days after furnishing the information, notify Experian of the month and year that the account became delinquent.

- F. Notice to Tenant.** If the **SFHA** receives a Direct Dispute from a Tenant, but does not investigate such dispute for any reason identified in Section V.D., the **SFHA** shall notify the Tenant by mail of its determination within 30 calendar days of making such determination and shall include with such notice the reasons for such determination and identify the information, if any, required to investigate the disputed information.

G. Identity Theft.

1. **Experian Blocking Notice.** The **SFHA** shall follow Experian procedures to ensure that the **SFHA** does not refurnish information that has been blocked pursuant to Section 605B of the FCRA.
2. **Tenant Identity Theft Report.**
 - a. **Address.** The **SFHA** shall maintain an address to which a Tenant may submit an identity theft report and a statement that information maintained by **SFHA** and purporting to relate to the Tenant resulted from identity theft.
 - b. **Blocking.** If a Tenant submits an identity theft report to **SFHA** at the address indicated directly above and includes a statement that information maintained by **SFHA** that purports to relate to the Tenant actually resulted from identity theft, **SFHA** shall promptly notify Experian.
 - c. **Identity Theft Report Defined.** For purposes of this Policy, the term “identity theft report” shall mean a report that: (1) alleges identity theft with as much specificity as the Tenant can provide; (2) is a copy of an official, valid report filed by the Tenant with a federal, state or local law enforcement agency, the filing of which subjects the person filing the report to criminal penalties relating to the filing of false information if, in fact, the information in the report is false; and (3) may include additional information or documentation that **SFHA** reasonably requests for the purpose of determining the validity of the alleged identity theft, provided that **SFHA**: (i) makes such request no later than 30 days after the date of receipt of the copy of the report filed with law enforcement; (ii) makes any supplemental requests for information or documentation and final determination on the acceptance of the identity theft report within another 30 days after its initial request for information or documentation; and (iii) shall have 30 calendar days to make a final determination on the acceptance of the identity theft report, in the event that **SFHA** receives any such additional information or documentation within the 30 calendar day period.

VII. Administration of Policy.

- A. **Effective Date.** This Policy is effective as of **May 28, 2015**.
- B. **Policy Owner.** This Policy shall be maintained and monitored by the Department responsible for Policy of the SFHA.
- C. **Maintenance of Policy.** The Policy Owner shall be responsible for reviewing the Policy not less than every two (2) years and updating the procedures contained in the Policy, as necessary, in order to ensure their continued effectiveness.

Appendix D:
SAN FRANCISCO HOUSING AUTHORITY
ADMISSIONS AND CONTINUED OCCUPANCY POLICY
TEMPORARY POLICY ADDENDUM

Home Business Policy

Home Business Policy

The SFHA encourages residents living in its properties to organize to operate home businesses. Any such home business, which includes any legal profit making activities or nonprofit activities, must receive written approval from the SFHA prior to beginning any such business activity. This policy does not cover children's businesses such as a child's paper route, a child's sale of merchandise or products from catalogs, or a child's sale of merchandise for youth, school, church, sports, or nonprofit organizations. Such children's activities are expressly permitted and do not require prior notice or consent of the SFHA.

I. Procedures

- A. A resident wishing to operate a home business must submit, in writing, his or her request for approval to the Public Housing Director, or designee, through the Property Manager and District Director. The written request will be in a format designed by the SFHA and is the formal agreement between the SFHA and the resident if SFHA approves the home business. The information required by the SFHA will include the following:
 - 1. A full description of the home business (bookkeeping, computer, child care, etc.);
 - 2. Anticipated hours of operation;
 - 3. Evidence that the home occupations will comply with local, state and federal regulations, including but not limited to licensing, bonding, and insurance requirements;
 - 4. Anticipated storage or special accommodations necessary for the daily operation of the home business; and
 - 5. Anticipated revenue of the home business.
- B. If required, the resident will obtain insurance to fully indemnify the SFHA for any or all damages and injuries to any person, including but not limited to, SFHA property or employees, if damages or injuries occur as a direct or indirect result of the home business operation.
- C. The Public Housing Director, or designee, will review each business on a case-by-case basis, based on the number of existing businesses in each complex, including childcare operations. The basis of approval will depend on the impact to the other residents at the housing site.
- D. All residents whom the SFHA has approved to operate a business in his or her home must obtain a business license through the California Department of Commerce and must keep the business license current until they have ended the business.
- E. The home business agreement/contract is an addendum to the resident's lease agreement with the SFHA. The operation of any approved home business is subject

to all of the terms and conditions of the resident's lease agreement with the SFHA.

II. Terms and Conditions

If a resident's home business operation is approved, the resident and all household members who are involved with the home business meet and agree to the following terms and conditions.

- A. The resident must agree to and abide by all of the terms and conditions as stipulated in the Resident Home Business Agreement/Contract.
- B. The Public Housing Director may approve a joint home business operation if two or more residents plan to engage in a partnership. They must clearly define the make up of the partnership, showing how they distribute the partnership, by percentage whether equally or with one partner being more responsible for the operation than another partner. The partnership must also clearly define the dollar amount that will be used in the anticipation of income that is reported to the SFHA.
- C. The SFHA allows no more than one business be operated from each unit.
- D. No modifications to the unit shall be made by the tenant, or by the SFHA on behalf of the tenant, to accommodate the proposed business.
- E. The SFHA will not transfer any family to a larger unit to accommodate the proposed business.
- F. A tenant shall not be allowed to propose a business in order to avoid moving from a unit that is considered "overhoused" for that family size.
- G. The resident business may be required to name the SFHA as an additional insured where General Liability insurance coverage is necessary to meet licensing requirements.
- H. At the time the resident(s) informs the Property Manager of his or her interest in starting a home business, they will be provided a copy of this Policy and the Resident Home Business Agreement/Contract. The Property Manager will insure that the resident understands the terms of the Policy and Contract and will assist as much as feasible.
- I. The Property Manager will then send the Application and Agreement to the Legal Department for review and approval. The final approval will be provided by the Public Housing Director.
- J. When the resident's business is approved by the SFHA, the approval becomes the written agreement between the SFHA and the resident, with the resident agreeing to the Terms and Conditions applicable to that business. Furthermore, before the commencement of any such approved business activity, the resident must have executed the written agreement with the SFHA and obtained any other documentation required, including but not limited to, proof of insurance and a California business

license.

III. Child Care Businesses

The SFHA will allow childcare businesses at the discretion of the Public Housing Director or designee. The SFHA will consider the impact that the child cares business will have on the other residents and project facilities. Any resident who wishes to provide childcare in their home must adhere to the following guidelines.

<u>Number of children under 12 living in your home</u>	<u>Number of children that you may care for other than those living in your home</u>	<u>Total number of children under 12 that you may care for in your home</u>	<u>Total number of children younger than 24 months that you may care for</u>
0	6	6	3
1	5	6	3
2	4	6	3
3	3	6	3
4	2	6	3
5	1	6	3
6	0	0	0

- A. The SFHA requires that all child care businesses, no matter the number of children being cared for, be licensed through the State of California. It is the resident's responsibility to contact the appropriate agency.
- B. All childcare businesses must carry the minimum liability insurance of no less than \$1,000,000. It is the responsibility of the childcare provider to verify that they are in compliance with the individual liability policy requirements.

C. All residents intending to provide childcare in their homes must provide a recent (no older than 90 days) national criminal background check. A copy of the background check can be obtained from the City of San Francisco Police Department (“SFPD”). The SFHA reserves the right to obtain and review any applicant’s report obtained from the SFPD.

D. Childcare businesses are prohibited in buildings designed for elderly families.

The resident operating the child care business is totally responsible for the welfare and actions of the children under his or her care and is bound to all Lease provisions governing actions of guests.

All childcare businesses must follow the safety guidelines as outlined in the SFHA Home Business Contract.

IV. Types of Businesses Prohibited

Prohibited types of businesses on SFHA properties include, but are not limited to:

- automobile or vehicle repair,
- raising and care of pets,
- small engine repairs,
- the sale of tobacco, drugs, alcohol, weapons;
- other illegal activities such as prostitution;
- a bed and breakfast;
- any business that requires the use of equipment that generates excessive heat or fire; or
- any business that uses excessive utilities, creates excessive noise, or creates excessive foot or automobile traffic

V. Reporting Income

The resident must keep accurate records to permit the SFHA to verify income, or other requirements existing in the SFHA’s Policy and Procedures manual and the terms and conditions of the Lease, and to provide any other documentation requested by the SFHA. Partnerships must clearly define the profits and/or losses of the tenants participating in the partnership in order for the SFHA to determine applicable income.

VI. Renewal

The SFHA will review the operation of the home business at the annual recertification of the resident as specified in the SFHA’s Policy and Procedures manual and Lease Agreement. At such time the SFHA will ask that the resident submit to the SFHA documentation of renewals of

insurance, licenses, bonds, and permits as required by state and local rules regulating that business.

VII. Resident Councils

Fully accredited Resident Councils who wish to operate some form of business, either for profit or resident convenience, must also submit their application to the Public Housing Administrator for approval. The stipulations of Section I through VIII of this policy apply.

VIII. Grievance Procedures

Residents owning a home business that the SFHA has asked to terminate or move off the premises, may grieve this action by the SFHA by following the SFHA's policies and procedures pertaining to Grievances. (See Appendix B for Grievance Procedures.)

IX. Documentation Procedures

Upon receipt of a completed contract from the resident, the Property Manager will forward it, with the Property Manager's recommendations, through the Area Manager to the Public Housing Administrator.

Upon approval, the Public Housing Administrator, or designee, shall send the original Resident Home Business Agreement/Contract to the Office of General Counsel. One copy shall be maintained in the Public Housing Administration files. One copy shall be sent to the Property Manager for inclusion into the Tenant File. One copy shall be provided to the resident to keep for his/her business records.

Resident Home Business**1) Agreement/Contract****2) APPLICANT INFORMATION**

I, _____, wish to operate the following business
from my residence located at:

Street Address

Apt. #

City

Zip Code

Home Telephone #

Work Telephone #

Type of Business (Please give a full description of the business)

Name of Business: _____

Full Description of Business:**Hours of Operation:****Days of the Week****Hours of Operation**

From _____

From _____ am/pm

To _____

To _____ am/pm

Other: _____

3) SPECIFIC REQUIREMENTS

I agree and understand that I am required to obtain the following items, if checked, and must be maintained at all times that I am conducting the home business that is the subject of this agreement.

- ☐ Business License No. _____
- ☐ Insurance _____
(Company and type)
- ☐ Requirement for SFHA to be named as additionally insured.
- ☐ Bonding _____
(Company and type)
- ☐ First Aid and CPR courses (childcare businesses only)
- ☐ Licensed (childcare businesses only)
- ☐ Safety gates in front of inside staircases (childcare businesses only)
- ☐ Plastic guards over all electrical outlets that are not in use and are within the reach of children (childcare businesses only)
- ☐ 2A:10BC dry chemical fire extinguisher for each level of the home (childcare businesses only)
- ☐ Other _____

- 4) Special Accommodations
(List any anticipated storage or special accommodations that the business will require.)

5) ANTICIPATED EARNINGS

Anticipated Start of Business

Signature of Head of Household

Date

Signature of Co-Partner (if applicable)

Date

☐ **Approved**



Disapproved

Signature of Director of Housing Management/Designee

Date