

**A REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF
SAN BERNARDINO**

TO BE HELD AT 715 EAST BRIER DRIVE
SAN BERNARDINO, CALIFORNIA
JULY 9, 2024 AT 3:00 P.M.

AGENDA

PUBLIC SESSION

- 1) Call to Order and Roll Call
- 2) Additions or deletions to the agenda
- 3) General Public Comment - Any member of the public may address the Board of Commissioners on any matter not on the agenda that is within the subject matter jurisdiction of the Board. To make a comment on a specific agenda item, you may do so during the meeting or, alternatively, please submit your comments via email by 1:00 p.m. on the Tuesday of the Board meeting. Comments should be limited to 250 words or less. Please submit your comments via web at <https://hacsb.com/board-of-commissioners/> or email at publiccomment@hacsb.com. Your comments will be placed into the record at the meeting. Efforts will be made to read the comments into the record, but some comments may not be read due to time limitations.

DISCUSSION CALENDAR

(Public comment is available for each item on the discussion calendar)

- 4) Receive the Executive Director's Report for July 9, 2024.
(Page 1)
- 5) Receive the board building presentation for July 9, 2024, an update of the Housing Authority of the County of San Bernardino's development projects and 2024 scholarship program.
(Page 2)
- 6) Adopt Resolution No. 196 to approve and adopt:
 - a. The Fiscal Year 2024-25 Consolidated Annual Budget including operating transfers in/out.
 - b. The Fiscal Year 2024-25 Public Housing Annual Budget including operating transfers in/out.
 - c. Any changes to the Consolidated Annual Budget or the Public Housing Annual Budget that the Board of Commissioners may direct.
(Pages 3-9)

- 7) Adopt Resolution No. 197:
 - a. Approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2024-2025.
 - b. Approving the Annual Moving to Work Plan Certifications of Compliance to Regulations with the United States Department of Housing and Urban Development.(Pages 10-17)
- 8) Adopt Resolution No. 198 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Pages 18-173)
- 9) Adopt Resolution No. 199 approving revisions to the Admissions and Continued Occupancy Policy governing the Housing Authority of the County of San Bernardino's Public Housing program.
(Pages 174-254)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: # 10-12

- 10) Approve the meeting minutes for the Special meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on June 18, 2024.
(Pages 255-260)
- 11) Approve and file Agency-wide Financial Statements through March 2024.
(Pages 261-265)
- 12) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of April 2024.
(Pages 266-273)
- 13) Individual Board member comments.
- 14) Adjourn

This agenda contains a brief description of each item of business to be considered at the meeting. In accordance with the Ralph M. Brown Act, this meeting agenda is posted at least 72 hours prior to the regularly scheduled meeting at the Housing Authority of the County of San Bernardino (HACSB) Building located at 715 East Brier Drive, San Bernardino, California, 92408. The agenda and its supporting documents can be viewed online at <http://www.hacsb.com>. However, the online agenda may not include all available supporting documents or the most current version of documents.

If you challenge any decision regarding any of the above agenda items in court, you may be limited to raising only those issues you or someone else raised during the public testimony period regarding that agenda item or in written correspondence delivered to the Board of Commissioners at, or prior to, the public meeting.

It is the intention of the HACSB to comply with the Americans with Disabilities Act (ADA). If you require special assistance, HACSB will attempt to accommodate you in every reasonable manner. Please contact Cynthia Robinson at (909) 890-5388 at least 48 hours prior to the meeting to inform us of your particular needs.

HACSB ofrece asistencia idiomática gratis. Para ayuda con este documento, por favor llámenos al (909) 890-0644.

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Executive Director's Report for July 9, 2024

RECOMMENDATION(S)

Receive the Executive Director's Report for July 9, 2024.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

This item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there is no financial impact associated with this item.

BACKGROUND INFORMATION

The Executive Director's report summarizes ongoing initiatives of HACSB's strategic plan, Moving to Work activities, overall agency updates, as well as other initiatives federally regulated by the U.S. Department of Housing and Urban Development.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on June 26, 2024.

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Board Building Presentation for July 9, 2024

RECOMMENDATION(S)

Receive the board building presentation for July 9, 2024, an update of the Housing Authority of the County of San Bernardino's development projects and 2024 scholarship program.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

Aspirational Statement #5: To create, build and utilize partnerships that provide opportunities and create a meaningful difference in the lives of the families that we serve, maximizing our resources by mobilizing the talents of our community partners.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there is no financial impact associated with this item.

BACKGROUND INFORMATION

Per the U.S. Department of Housing and Urban Development's (HUD) Commissioner Lead the Way Training and Moving to Work designation responsibilities, board building is required to provide the Board of Commissioners with information regarding ongoing initiatives of HACSB's strategic plan, Moving to Work (MTW) activities, overall agency updates, as well as other initiatives federally regulated by HUD.

This month's board building presentation will include an update of HACSB's development projects and 2024 scholarship program.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, June 26, 2024.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Fiscal Year 2024-25 Consolidated Annual Budget

RECOMMENDATION(S)

Adopt Resolution No. 196 to approve and adopt:

- a. The Fiscal Year 2024-25 Consolidated Annual Budget including operating transfers in/out.
- b. The Fiscal Year 2024-25 Public Housing Annual Budget including operating transfers in/out.
- c. Any changes to the Consolidated Annual Budget or the Public Housing Annual Budget that the Board of Commissioners may direct.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

BACKGROUND INFORMATION

Each year, the annual budget for the following fiscal year is brought to the Board of Commissioners for recommended approval. The budget is the opportunity for the board to review and approve the strategic spending plan for the Housing Authority of the County of San Bernardino (HACSB). The Fiscal Year (FY) 2024-2025 budget for HACSB is being presented for recommended approval. This proposed budget continues to support the vision and mission of the agency and is in line with its Strategic Plan and Moving to Work (MTW) Annual Plan which is approved by the United States Department of Housing and Urban Development (HUD) each year. Despite increases in costs across all rental assistance programs due to rising rental rates, we are recommending for approval a balanced budget. The balanced budget was primarily achieved by utilizing the MTW HUD Held Reserves (HHR), which is reflected in the budget to help offset the difference between the annual funding and annual expenses related to rental assistance payments.

FINANCIAL IMPACT

The chart below summarizes the HACSB Consolidated Budget for Fiscal Year 2024-2025 (October 1, 2024 - September 30, 2025) into two major funding sources:

1. MTW Block Grant sources include Public Housing Operating Funds; Public Housing Capital Funds; Housing Choice Voucher (HCV) Housing Assistance Payments (HAP); and HCV Administrative Fees.
2. Non-eligible MTW Block Grant funds including local and central office cost center funds, other non-MTW special purpose voucher programs (Continuum of Care, Veterans Affairs Supportive Housing (VASH), and Housing for Persons with AIDS), and the Authority Owned Portfolio.

Fiscal Year 2024-25 Consolidated Annual Budget
July 9, 2024

Approximately 75% of the total revenue is comprised of funds received from HUD to administer the HCV, Public Housing, Emergency Housing Voucher (EHV), Special Purpose Rental Assistance, and the Capital Fund programs. The remaining revenue is derived primarily from rental income from the Authority Owned portfolios.

DESCRIPTION OF MAJOR CHANGES IN 2024-2025:

**Housing Authority of the County of San Bernardino
FY 2024-2025 Proposed Consolidated Budget**

Moving To Work					FY 2023-2024 Budgeted Net	
Program	Revenue	Expenses	Net		Income	Increase/(Decrease)
MTW Fund	\$ 248,530	\$ 1,038,111	\$ (789,581)		(854,173)	64,593
Public Housing	9,266	7,541	1,725		(12,100)	13,825
Capital Funds	-	-	-		-	-
Housing Choice Vouchers	160,071,232	167,026,532	(6,955,300)		(9,016,921)	2,061,621
Total Moving To Work	\$ 160,329,028	\$ 168,072,183	\$ (7,743,155)		\$ (9,883,194)	\$ 2,140,039

Other Programs - Non Moving To Work					FY 2023-2024 Budgeted Net	
Program	Revenue	Expenses	Net		Income	Increase/(Decrease)
Central Office	\$ 5,253,899	\$ 5,681,078	\$ (427,179)		(225,510)	(201,670)
Other Vouchers	27,010,265	27,904,981	(894,716)		34,621	(929,337)
Authority Owned Portfolio	35,313,868	32,626,697	2,687,171		3,859,520	(1,172,350)
Local Funds	12,417,936	12,544,474	(126,538)		(598,365)	471,827
Total Non-Moving To Work	\$ 79,995,968	\$ 78,757,231	\$ 1,238,737		3,070,267	\$ (1,831,530)
Grand Totals	\$ 240,324,996	\$ 246,829,414	\$ (6,504,418)		(6,812,927)	308,509

Authority Owned Portfolio (Physical Needs)	-		
Special Programs Reserve Drawdown <Buildup>	894,716	(34,621)	929,338
Reserve < Buildup>-MTW Pension Pre Funding	-	-	-
Reserve < Buildup>-Other Pension Pre Funding	-	-	-
Reserve Drawdown/< Buildup>-MTW:	7,743,155	9,883,194	(2,140,039)
RAD Required Replacement Reserve:	-	(1,177,039)	1,177,039
Portfolio Sustainability Reserves Drawdown/(Buildup)	(2,133,453)	(1,858,607)	(274,846)
Adjusted Residual Profit:	-	-	-

In comparison to the prior fiscal year's budget, total income has increased by over \$25.2 million; however, total expenses increased by \$24.9 million for a total increase in net income of \$308,509. The most significant changes occurred in the MTW HCV program and the Authority Owned Portfolio. It is important to note that the net income in the MTW HCV program is specifically tied to Housing Assistance Payment (HAP) funding. These funds are held with HUD as restricted reserves for housing assistance payments in compliance with the HCV program.

MTW PROGRAMS

The primary increase in revenue is due to an increase in HAP subsidy funding for the calendar year (CY) 2024. For CY 2024, HACSB received an inflationary rate of 9.6%.

Even though the higher than usual inflation rate in CY 2024 provided additional HAP funding, we continue to see and expect continued increases in the HAP per unit costs in the upcoming fiscal year. Historically, the HAP annual inflation factor does not provide sufficient funding to cover the

increasing costs; and unfortunately, receiving an annual inflation factor by HUD is not guaranteed, which if not, exacerbates the loss in funding if rental rates continue to rise. Because of this, the Authority views the inflationary rate received for CY 2024 as a “one-time” occurrence to the HCV MTW program. The continued increase in per unit costs has contributed to a net loss in the MTW budget in the amount of \$7.7 million, which will be covered by a reserve drawdown from the HUD held restricted HAP reserves. This request is included in the FY 2025 MTW Annual Plan to HUD.

As a result of continued funding cuts to administrative fees for the HCV program, and due to increasing costs, we are continuously challenged in providing a balanced budget for the HCV administrative budget. The calendar year 2024 funding cut percentage was 10%, resulting in \$2.4 million less in appropriated funding. Despite the cut, because of efficient budgeting by the Housing Services Department, the budget includes an expected net gain of \$840 thousand in the administration budget for the HCV program, which will be used to offset expected future year net losses.

In addition, pension costs and other post-employment benefits (OPEB) continue to rise. The unfunded liability for the Authority’s pension fund is over \$25.5 million and the pension costs for FY 2024 are estimated to be \$2.8 million (net of interest, costs, and income from investments). To offset expected future annual increases in the pension costs and lower the unfunded liability in the MTW program, it is important to continue to consider funding our pension trust fund.

Increases in personnel costs are projected at approximately \$850 thousand due to increasing costs in salaries and benefits (excluding pension costs). This increase is due to an increase in salaries related to annual merit increases and a market salary adjustment to account for unprecedented inflation related costs. This is per the board approved memorandum of understanding with the union.

NON-MTW PROGRAMS

The non MTW programs budget includes a total net income of \$1.2 million, which is largely due to an increase in rental income and grant income for special purpose vouchers, including the EHVS program, VASH and Mainstream vouchers.

Below are some of the significant budgeted items in these programs:

- \$34.3 million in Rental Income. This is an expected increase of \$3 million compared to the prior year’s budget.
- \$6.4 million in anticipated extraordinary maintenance expenses needed for repair and replacement work at many authority-owned housing developments. This is an increase of \$805 thousand when compared to the prior year’s budget, which is primarily due to an increase in the Physical Needs Assessment work required within this fiscal year. This maintenance work is primarily funded by operational property income.
- \$15.5 million in salaries and benefits. This is an increase of approximately \$442,000 when compared to the prior year’s budget. This increase is primarily due to annual merit increases and a market salary adjustment to account for inflation related costs.
- \$427 thousand from the Authority Owned Portfolio reserve will cover the costs of the development team within the administrative budget.

CONCLUSION:

Despite increases in costs across all rental assistance programs, we are recommending for approval a balanced budget, which includes the following:

- Funding for all families on HACSB's rental assistance programs to continue receiving housing assistance, except for families exiting the Term-Limited Lease Assistance (TLA) program.
- Funding for repair and replacement capital needs for our Authority-Owned developments and our administrative office buildings.
- Funding for our Family Empowerment Services department to continue to achieve positive outcomes that result in career-abled families prospering and transitioning through the agency's TLA and Family Self-Sufficiency programs.
- Maintenance of adequate reserve levels within our MTW and non-MTW programs.

We will continue our advocacy efforts to ensure that our elected officials are aware of the impacts that funding cuts, specifically to HCV administrative fees, and increased program costs are having on our agency, but most importantly on the families that we serve. Simultaneously, as good stewards of taxpayer dollars, we will continue to be prudent in our spending.

Adoption of the Fiscal Year 2024-2025 agency-wide budget as shown is recommended.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on July 3, 2024.

HOUSING AUTHORITY RESOLUTION NO. 2024-196

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S FISCAL YEAR 2024-25 CONSOLIDATED ANNUAL BUDGET

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino was created pursuant to Section 34200 of the California Health and Safety Code to provide housing for low and moderate income families; and

WHEREAS, the Housing Authority of the County of San Bernardino administers a variety of local, State and Federal Programs in pursuit of its mission; and

WHEREAS, the Housing Authority of the County of San Bernardino operates the Public Housing, Housing Choice Voucher, and related programs authorized by the United States Department of Housing and Urban Development (HUD); and

WHEREAS, attached as Exhibit A is the Consolidated Annual Budget, including the Public Housing Annual Budget, that has been prepared in accordance with and is consistent with all applicable laws and guidelines;

OPERATIVE PROVISIONS

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the proposed Fiscal Year 2024-25 Consolidated Annual Budget including the Public Housing Annual Budget attached as Exhibit A.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, July 9, 2024.

Secretary

FY 2024-2025 Consolidated Annual Budget

	Moving to Work								Other Programs - Non Moving to Work					HACSB
	HOUSING SERVICES													
	MTW Fund	Affordable Housing	Capital Funds	Administration	Housing	Total Housing	Total		Administration	Other Vouchers	Authority Owned	Local Funds	Total	
Assistance Payments					Services			Total						
INCOME														
Grants	-	2,702	-		144,843,167	144,843,167	144,845,869	-	25,024,690	-	10,309,842	35,334,532	180,180,401	
Administrative Fees	-	-	-	14,810,065		14,810,065	14,810,065	4,989,734	1,985,575	4,146	-	6,979,455	21,789,520	
Rental Income	-	6,564	-			-	6,564			34,334,479	-	34,334,479	34,341,043	
Developer Fee	-	-	-			-	-	-	-	-	300,000	300,000	300,000	
Investment Income	60,720	-	-			-	60,720	-	-	78,391	198,044	276,434	337,155	
Residual Receipt/Partnership Contribution	-	-	-			-	-	-	-	-	1,334,926	1,334,926	1,334,926	
Interest Income	187,810	-	-	-		-	187,810	2,653	-	788,718	146,804	938,175	1,125,985	
Fees for Service revenues	-	-	-			-	-	261,511	-	-	-	261,511	261,511	
Miscellaneous Income	-	-	-	418,000		418,000	418,000	-	-	108,135	128,320	236,455	654,455	
TOTAL INCOME	248,530	9,266	-	15,228,065	144,843,167	160,071,232	160,329,028	5,253,899	27,010,265	35,313,868	12,417,936	79,995,968	240,324,996	
EXPENSES														
Administrative Salaries	747,122	-	-	6,393,664		6,393,664	7,140,786	4,362,768	472,859	5,181,919	1,500,798	11,518,344	18,659,130	
Administrative Expenses	261,920	1,413	-	5,301,926		5,301,926	5,565,259	986,366	1,101,725	3,844,215	692,422	6,624,727	12,189,986	
Total Tenant Services	4,750	-	-		56,200	56,200	60,950	-	-	102,717	16,200	118,917	179,867	
Total Grant Specific Expenses	-	-	-			-	-	-	-	-	10,044,842	10,044,842	10,044,842	
Utilities	2,418	-	-	156,646		156,646	159,064	67,600	-	4,613,279	-	4,680,879	4,839,943	
O & M Labor Costs	-	80	-			-	80	-	-	3,967,123	11,700	3,978,823	3,978,903	
O&M Materials	-	1,800	-	49,660		49,660	51,460	6,000	-	1,098,754	300	1,105,054	1,156,514	
O&M Contracts	6,288	3,151	-	905,938		905,938	915,377	92,795	-	3,430,204	120,180	3,643,179	4,558,556	
General Expenses	15,612	1,097	-	165,706		165,706	182,416	83,309	1,432	2,089,611	37,513	2,211,866	2,394,281	
Debt Service Interest	-	-	-			-	-	-	-	2,087,990	-	2,087,990	2,087,990	
Extraordinary Maintenance /Capital Improvements	-	-	-	169,750		169,750	169,750	82,240	-	6,210,887	120,519	6,413,646	6,583,396	
Depreciation	-	-	-			-	-	-	-	-	-	-	-	
Housing Assistance Payments	-	-	-	1,280,000	152,547,042	153,827,042	153,827,042	-	26,328,965	-	-	26,328,965	180,156,007	
TOTAL EXPENSES	1,038,111	7,541	-	14,423,290	152,603,242	167,026,532	168,072,183	5,681,078	27,904,981	32,626,697	12,544,474	78,757,231	246,829,414	
RESIDUAL RECEIPTS/(DEF)	(789,581)	1,725	-	804,775	(7,760,075)	(6,955,300)	(7,743,155)	(427,179)	(894,716)	2,687,171	(126,538)	1,238,737	(6,504,418)	
Operating Transfer In - Subsidy	159,655,934	977	-			166,608,532	326,265,443			-	-	-	326,265,443	
Operating Transfer Out - Subsidy	(166,609,509)	(2,702)	-			(159,653,232)	(326,265,443)	-	-	-	-	-	(326,265,443)	
RAD Required Replacement Reserve	-	-	-			-	-	-	-	-	-	-	-	
Portfolio Sustainability Reserves Drawdown/(Buildup)								427,179	-	(2,687,171)	126,538	(2,133,453)	(2,133,453)	
HUD Reserve Drawdown/(Buildup) NET	7,743,155					-	7,743,155		-	-	-	-	7,743,155	
Reserve Drawdown/(Buildup) - Non MTW	-	-	-			-	-	-	894,716	-	-	894,716	894,716	
Net Income/(Loss)	-	-	-			-	-	-	-	-	-	-	-	

FY 2024-2025 Public Housing Annual Budget

	Affordable Housing						
	UHA 204142	AMP 205	AMP 206	AMP 207	AMP 208	AMP 209	Total
INCOME							
Grants	-				2,702	-	2,702
Administrative Fees					-	-	-
Rental Income	-				6,564	-	6,564
Repayment Agreement Income	-				-	-	-
Investment Income	-				-	-	-
Residual Receipt/Partnership Contribu	-				-		-
Interest Income	-				-		-
Miscellaneous Income	-				-	-	-
TOTAL INCOME	-	-	-	-	9,266	-	9,266
EXPENSES							
Administrative Salaries	-				-	-	-
Administrative Expenses	-				1,413	-	1,413
Total Tenant Services	-				-	-	-
Total Grant Specific Expenses	-				-	-	-
Utilities	-				-	-	-
O & M Labor Costs	-				80	-	80
O&M Materials	-				1,800	-	1,800
O&M Contracts	-				3,151	-	3,151
General Expenses	-				1,097	-	1,097
Debt Service Interest	-				-	-	-
Extraordinary Maintenance	-				-	-	-
Depreciation	-	-	-	-		-	-
Housing Assistance Payments	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	7,541	-	7,541
RESIDUAL RECEIPTS/(DEF)	-	-	-	-	1,725	-	1,725
Operating Transfer In - Subsidy	-	-	-	-	977	-	977
Operating Transfer Out - Subsidy	-	-	-	-	(2,702)	-	(2,702)
Net Income/(Loss)	-	-	-	-	-	-	-

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Fiscal Year 2024-2025 Annual Moving to Work Plan

RECOMMENDATION(S)

Adopt Resolution No. 197:

- a. Approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2024-2025.
- b. Approving the Annual Moving to Work Plan Certifications of Compliance to Regulations with the United States Department of Housing and Urban Development.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

Aspirational Statement #4: To utilize research and technology to drive innovative programming and operational processes which allow us to be more responsive and result in the advancement of the families we serve.

FINANCIAL IMPACT

Approval of the proposed resolution will not have a significant direct financial impact on the Housing Authority of the County of San Bernardino (HACSB). Sufficient appropriation to perform this action has been included in the HACSB Fiscal Year 2024-2025 annual budget and will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION

On March 14, 2008, HACSB was designated by the United States Department of Housing and Urban Development (HUD) as a Moving to Work (MTW) agency. The objectives of the MTW designation are to achieve greater cost effectiveness, provide incentives to families working toward self-sufficiency, and increase housing choices for low-income families. To accomplish these objectives, the MTW designation allows Public Housing Authorities (PHA) to develop and implement programs to design and test innovative local housing and self-sufficiency initiatives by waiving certain statutes and HUD regulations. In accordance with the MTW Agreement which outlines the requirements and authorizations of the MTW designation, each year HACSB is required to prepare and submit an Annual MTW Plan that describes previously approved, proposed and/or revised MTW activities for the coming year, as well as other related information.

The proposed 2024-2025 Annual MTW Plan (Plan) includes information regarding 30 previously approved MTW activities. Activities are defined as HUD-approved initiatives developed and

adopted by HACSB via its MTW designation that a traditional Housing Authority cannot implement.

HACSB MTW activities are listed below:

No.	Activity Name	Plan Year	Status
1	Single Fund Budget	2009	Ongoing
2	Strategic Investment Policies	2009	Closed Out
3	Alternate Assessment Program	2009	On Hold
4	Biennial and Triennial Re-Certifications	2009	Ongoing
5	Simplified Income Determination (formerly Local Verification Policies)	2009	Ongoing
6	Elimination of Assets	2009	Closed Out
7	Controlled Program Moves	2009	Closed Out
8	Local Policies for Portability	2009	Ongoing
9	Elimination of Earned Income Disallowance	2009	Closed Out
10	Minimum Rent	2009	Ongoing
11	Local Project Based Voucher Program	2009	Ongoing
12	Local Payment Standards	2009	Ongoing
13	Local Inspection Policies	2010	Ongoing
14	Local Asset Management Program	2010	Ongoing
15	Pilot Work Requirement	2010	Closed Out
16	Operating Subsidy for Vista del Sol	2010	Closed Out
17	Local Income Inclusions	2011	Closed Out
18	Property Management Innovation	2011	Ongoing
19	Pilot Local FSS Program	2011	Closed Out
20	Term-Limited Lease Assistance Program	2011	Ongoing
21	Utility Allowance Reform	2012	Closed Out
22	Streamlined Lease Assistance Program	2013	Ongoing
23	No Child Left Unsheltered	2014	Ongoing
24	Transition for Over Income Public Housing/Housing Choice Voucher Families	2014	Ongoing
25	Project-Based Voucher Flexibility for Horizons Yucaipa Senior Housing	2016	Ongoing
26	Local Disaster Short-Term Rental Assistance Program	2017	Ongoing
27	Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents	2019	Ongoing
28	Leasing Success Strategies	2022	Ongoing
29	Moving On Strategy	2023	Ongoing
30	Valencia Grove Phase II, Affordable Rent Strategy	2024	Ongoing

HACSB is not proposing any new activities through this Plan, however, the Plan does include a few updates to the following existing MTW activities:

Activity #23 – No Child Left Unsheltered (NCLU): HACSB is proposing to transition existing NCLU households admitted to the program before October 1, 2019, residing in units where the PBV contract is expiring, to a tenant-based voucher. This will not have an impact on the household as they will not be required to move from the unit and their rent portion will continue to be calculated using the Streamlined Lease Assistance program methodology.

Other changes in the Plan include documenting language in Activity #12 – Local Payment Standards of HACSB's current processes that may differ from HUD's Housing Opportunity through Modernization Act (HOTMA) final rule. Also included in the Plan, is a copy of the Faircloth to RAD conversion Plan for Valencia Grove Phase II.

This item includes the HUD-required Certifications of Compliance, which authorizes HACSB to submit the Annual MTW Plan to HUD and certifies that HACSB has complied or will comply with requirements related to the submission and implementation of the Plan, including public notice requirements, Civil Rights Act and Fair Housing Act requirements, records retention, and other requirements. It also includes a Board Resolution to accompany the 2024-2025 Annual Moving to Work Plan.

A legal notice regarding the Plan was published in seven local newspapers on May 29, May 30, and May 31, 2024. The notice and the proposed plan were also made available on HACSB's website and at all HACSB offices throughout San Bernardino County beginning May 29, 2024. The required public comment period ran from May 29, 2024, to June 28, 2024, and two public hearings on the matter were held. In-person hearings were held on June 11, 2024, at 10:00 a.m. and June 13, 2024, at 1:00 p.m. No members of the public attended the public hearings, and no public comments were received. On June 4, 2024, the proposed plan was presented to HACSB's Resident Advisory Board where questions were answered, and feedback was received.

A complete copy of the 2024-2025 Annual MTW Plan can be found at <https://hacsb.com/moving-to-work/>.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on June 26, 2024.

HOUSING AUTHORITY RESOLUTION NO. 2024-197

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S ANNUAL MOVING TO WORK PLAN FOR FISCAL YEAR 2023-2024

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (HACSB) is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction; and

WHEREAS, HACSB entered into a Moving to Work (MTW) contract with the United States Department of Housing and Urban Development (HUD) effective March 14, 2008, which governs the regulations of the administration of the Housing Choice Voucher and Public Housing programs; and

WHEREAS, as a MTW agency, the HACSB is required to and has prepared an Annual MTW Plan which describes its operations and activities as an MTW agency; and

WHEREAS, the HACSB desires to develop a new MTW activity and modify certain previously approved MTW activities; and

WHEREAS, the HACSB has developed its Fiscal Year 2024-2025 Annual MTW Plan, to include the proposed modifications to those MTW activities and in accordance with HUD requirements.

OPERATIVE PROVISIONS

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:

Section 1. The Board of Commissioners finds that all of the facts set forth in the Recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the proposed Fiscal Year 2024-2025 HACSB Annual MTW Plan, on July 9, 2024.

Section 3. A complete copy of the 2024-2025 Annual MTW Plan can be found at <https://hacsb.com/moving-to-work/>.

Section 4. The Board of Commissioners hereby approves the HUD-required Certifications of Compliance with Regulations form authorizing HACSB to submit the proposed Fiscal Year 2024-2025 Annual MTW Plan to HUD and certifies that HACSB has complied or will comply with requirements related to the submission and implementation of the Plan.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, _____, 20__.

Secretary

CERTIFICATIONS OF COMPLIANCE**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AND INDIAN HOUSING****Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (10/01/2024), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.

- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the County of San Bernardino

CA019

MTW PHA NAME**MTW PHA NUMBER/HA CODE**

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Beau Cooper

Board Chair

NAME OF AUTHORIZED OFFICIAL**TITLE****SIGNATURE****DATE**

* *Must be signed by either the Chair or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chair or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Revisions to the Administrative Plan Governing the Housing Authority of the County of San Bernardino

RECOMMENDATION(S)

Adopt Resolution No. 198 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

FINANCIAL IMPACT

Approval of the proposed revisions to the Administrative Plan will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget.

BACKGROUND INFORMATION

HACSB's Housing Choice Voucher (HCV) Administrative Plan outlines the adopted policies that govern the HCV program as well as other HACSB rental assistance programs. These programs provide rental subsidies for low-income families leasing homes in the private rental market or within HACSB owned properties. The Administrative Plan is required of all housing authorities administering an HCV program and is reviewed and updated as needed to maintain compliance with Public and Indian Housing Notices (PIH), Federal Register Notices as issued by the United States Department of Housing and Urban Development (HUD), and HACSB's Moving to Work (MTW) activities.

The primary reasons for revising the Administrative Plan are to incorporate regulations under the Housing Opportunity Through Modernization Act of 2016 (HOTMA) published on February 14, 2023.

Housing Opportunity Through Modernization Act (HOTMA)

HOTMA, which was signed into law on July 29, 2016, made numerous changes to statutes governing HUD programs. Some of the statutory changes were implemented immediately. However, others required separate rulemaking. Many of the statutory provisions in HOTMA were intended to streamline administrative processes and reduce burdens on housing authorities and private owners. The latest HOTMA regulations published on February 14, 2023, affect program eligibility and income & asset calculations.

The key changes under the 2023 HOTMA regulations include:

- Interim Reexamination Requirements: HUD regulations now specify when and under what circumstances an interim reexamination of family income must be conducted.

- Streamlined Verifications: HUD is providing a new consent form, which only needs to be signed by adult family members once, instead of every 15 months. Also, HUD no longer requires use of the Enterprise Income Verification (EIV) system for interim reexaminations.
- Increased Standard Deduction for Elderly/Disabled Households: HOTMA increases the standard deduction from \$400 to \$525.
- Income Inclusions and Exclusions: The rule changes the definition of income and changes income inclusions and exclusions.
- Income Calculation: HOTMA changes the method used to calculate annual income.
- Threshold for Claiming Medical/Disability Expenses Increased: HOTMA increases the allowance for unreimbursed health and medical care expenses from 3% of annual income to 10% of annual income, phased in over two years.
- Higher Threshold for Imputing Asset Income: The rule raises the imputed asset threshold from \$5,000 to \$50,000.
- Hardship Relief: HOTMA provides hardship relief for changes to medical and childcare expense deductions.
- Asset Limitation: HOTMA imposes a \$100,000 asset limit for eligibility and continued assistance. Families are also ineligible for assistance if they own real property suitable for occupancy.
- Asset Exclusions: The rule excludes retirement and educational savings accounts from net family assets.
- Cross-Cutting Changes: The deductions and asset cap will be annually adjusted for inflation by HUD.

Some of the above changes do not apply to the HCV MTW, Veteran Affairs Supportive Housing (VASH), and Emergency Housing Voucher (EHV) programs due to existing waivers under HACSB's MTW Plan.

All housing authorities have until January 1, 2025, to comply with the new HOTMA requirements. HUD requires housing authorities to update administrative plans in advance of the implementation date and provide a 30-day public review and comment period for the proposed HOTMA policy changes. HACSB followed HUD's guidance which encourages housing authorities to present the HOTMA policy changes for public review and comment concurrently with the MTW or Public Housing Authority Annual Plan public comment process.

At this time, an implementation date for the proposed HOTMA changes has not been established. The effective date of the changes will be determined once HUD releases all implementation guidance and new forms, HUD's new reporting system, called the Housing Information Portal (HIP), is available, and software changes are operational. Due to the complexity of the changes and timing involved, additional revisions to the Administrative Plan may be needed as HUD releases further guidance.

Other revisions have been made throughout the Administrative Plan to promote consistent application of policies and procedures. Since the Administrative Plan is continuously reviewed for compliance and efficiency, HACSB staff take the opportunity to make minor changes when material changes are brought to the board. Attached is a table summarizing the proposed revisions along with the corresponding sections from the Administrative Plan with the redline changes.

Revisions to the Administrative Plan Governing the Housing Authority of the County of San Bernardino's Rental Assistance Programs
July 9, 2024

To ensure alignment with HUD regulations and to promote program efficiency, it is recommended the Board adopt the resolution to approve the proposed changes to the Administrative Plan.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on June 28, 2024.

HOUSING AUTHORITY RESOLUTION NO. 2024-198

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO APPROVING REVISIONS TO THE ADMINISTRATIVE PLAN
GOVERNING THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO'S RENTAL
ASSISTANCE PROGRAMS**

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (HACSB) is required to maintain an Administrative Plan which outlines regulations necessary to administer the Housing Choice Voucher subsidized programs on behalf of the United States Department of Housing and Urban Development (HUD); and

WHEREAS, HUD requires public housing agencies to amend their Administrative Plan to incorporate changes and define policy relative to administration of the Housing Choice Voucher subsidized programs; and

WHEREAS, HACSB desires to amend its policies and procedures to incorporate new HUD regulations as well as revise language in other sections.

OPERATIVE PROVISIONS

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:**

Section 1. The Board of Commissioners finds that all the facts set forth in the Recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs, attached hereto as Exhibit "A" and incorporated by reference herein.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, July 9, 2024.

Secretary

Summary of Administrative Plan Changes, July 9, 2024

Section	Topic	Change
1.5.2	Housing Services Program Types	Updates section to reflect addition of the Emergency Housing Voucher (EHV) program and updates FUP partner agency name
1.6	Rules and Regulations	Adds Housing Opportunities for Persons with AIDS (HOPWA) to the list of HUD regulations referenced in the Administrative Plan and provides a brief explanation of the timing involved with the implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) provisions published on February 14, 2023 and described in the Administrative Plan
2.2.8.3.2	Mainstream Program Preference	Removes the Mainstream Program preferences required under the FY 2019 Mainstream NOFA. The Housing Authority has fulfilled its obligations under the NOFA by leasing all of the vouchers received. Therefore, the preferences are no longer applicable
2.2.8.3.2	Other Preferences	Permits the transition of HOPWA, CoC and VASH participants to the Housing Choice Voucher program sooner than 3 years under certain circumstances as long as supportive services are no longer needed
3.1	Eligibility Factors and Requirements	Adds language to conform to HUD's final rule implementing Sections 102 and 104 of HOTMA which imposes an asset limitation of \$100,000 on initial eligibility. The asset limitation is adjusted for inflation each year. Applicants are also ineligible for admission if they own real property suitable for occupancy
3.7	Asset Limitation	Adds section to describe the asset limitation under HOTMA in more detail
3.10	Family Consent to Release of Information	Removes reference to HACSB-9886 form "Authorization for the Release of Information/Privacy Act Notice." All applicants/ participants sign the HUD-9886-A regardless of program
3.12.1 and 3.12.2	Housing Services Program Determination	Updates timeframes for transition of No Child Left Unsheltered (NCLU) participants to TLA or SLA as provided in the FY 2023 MTW Report
4.5	Dependent (Definition)	Clarifies that foster children and foster adults are not considered "dependents" for the purpose of categorizing household members
4.7	Foster Children and Foster Adults (Definition)	Adds HOTMA definition of foster children and foster adults
5.1 and subparts	Determination of Subsidy Standard	Clarifies use of MTW subsidy standards for the Family Self-Sufficiency (FSS) program and aligns EHV and VASH programs to the MTW subsidy standards effective with vouchers issued on or after 10/1/2024

Summary of Administrative Plan Changes, July 9, 2024 (Continued)

Section	Topic	Change
5.4 and subparts	Household Composition Changes for Applicants	Clarifies when the policy for changes to applicant households apply to VASH and EHV vouchers
5.5 and subparts	Household Composition Changes for Participants	Clarifies when the policy for changes to VASH and EHV participant households applies
6.1 and subparts	General Income Determination Requirements	Updates definition of annual income and adds exclusion of student financial assistance to align with the FY2024 Moving to Work Plan. The student financial assistance income exclusion will be implemented at the same time as the HOTMA provisions
6.2, 6.2.1 and 6.2.2	Annual Income	HOTMA changed the way annual income is calculated for traditional, regulatory assistance programs. Rather than anticipating the next 12 months of income, the Housing Authority must first consider the last 12 months of income. Various parts of this section were also updated to clarify definitions
6.2.3 and subparts	Annual Income Inclusions	Updates definitions for income inclusions
6.2.4 and subparts	Annual Income Exclusions	Updates excluded income criteria under both pre and post HOTMA provisions to include changes to Federally mandated exclusions from income. Also, HOTMA added, removed, and amended other income exclusions
6.2.5 and subparts	Assets and Asset Income	Adds language to conform to HOTMA provisions which revise the definition of net assets, adds asset exclusions, changes imputed asset income, and imposes a \$100,000 asset limit on applicants to qualify for assistance. The asset limitation amount is adjusted for inflation each year
6.3 and subparts	Adjusted Annual Income	Adds language to conform to HOTMA provisions which revise the dependent deduction, elderly or disabled family deduction, childcare expense deduction and medical expense deduction and provide hardship exceptions under some circumstances
6.4.7	Calculation of Baseline for Streamlined Lease Assistance Programs	Clarifies circumstances in which the baseline income is or is not reset
6.4.9	Calculation of Housing Authority Subsidy and Family Rent Share – Traditional, Regulatory Assistance for Special Purpose Programs	Clarifies that the CoC and HOPWA programs do not utilize the payment standard to calculate the Housing Assistance Payment amount
6.5 and subparts	Minimum Rent	Clarifies which programs are subject to minimum rent

Summary of Administrative Plan Changes, July 9, 2024 (Continued)

Section	Topic	Change
6.6.2	Utility Allowance – Traditional, Regulatory Assistance for Special Purpose Programs	Clarifies that the same utility allowance schedule is used for all Housing Services programs
7.1	Release of Information and Verification Expiration Dates	Adds that if a family revokes a consent for the release of information, assistance will be terminated
7.1.1	Release of Information and Verification Expiration Dates – Term-Limited Lease Assistance, Streamlined Lease Assistance, Veteran Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs	Removes reference to HACSB-MTW 9886 form “Authorization for the Release of Information/Privacy Act Notice.” All applicants/ participants sign the HUD-9886-A regardless of program. Also, adds changes to the fixed income verification requirements under HOTMA
7.1.2	Release of Information and Verification Expiration Dates – Traditional, Regulatory Assistance for Special Purpose Programs	Revises verification requirements based on HUD notice PIH 2023-27
7.2.1 and subparts	General Verification Policies	Adds real property ownership to the list of items verified during the initial eligibility process
7.3.1	General Verification Policies for Continued Assistance for MTW Programs	Updates new verification policies based on HUD notice PIH 2023-10
7.3.2	General Verification Policies for Continued Assistance for Traditional, Regulatory Assistance for Special Purpose Programs	Updates HUD’s verification hierarchy based on Notice PIH 2023-10
7.4.9	Verification of Real Property Ownership	Adds that the housing authority will accept self-certification of real property ownerships from applicants
7.5, 7.5.1 and subparts	Annual Income Verification at Recertification	Describes the income calculation and verification differences between programs
7.5.4	Periodic Payments and Payments in Lieu of Earnings	Updates the verification requirements for Social Security and Supplemental Social Security benefits

Summary of Administrative Plan Changes, July 9, 2024 (Continued)

Section	Topic	Change
7.5.4.1 (previously 7.5.3.1)	Periodic Payments and Payments in Lieu of Earnings – Traditional, Regulatory Assistance for Special Purpose Programs	Removes section referencing streamlined reexaminations as this process was not implemented
7.5.5	Alimony or Child Support	Updates the verification requirements for alimony and child support
7.5.6 and subparts	Assets and Income from Assets	Updates HOTMA requirements for verifying assets
7.5.7	Net Income from Rental Property	Adds prohibition of ownership of real property for applicants
7.5.8	Student Financial Assistance	Removes specific details concerning included and excluded student financial assistance and references Chapter 6 for those details
8.3.2	Briefing Packet Contents	Updates items provided in the briefing packet
8.6.1	Family Obligations Agreement Term Under Term-Limited Program Moves	Clarifies that a voucher may be issued for a shorter term if a family's participation on a term-limited program is ending soon
8.8	Residual Assistance for Remaining Members	Updates the section to clarify that residual household members, including surviving children, must remain under assistance in the assisted unit to qualify for continued assistance
9.4	Ineligible Types of Housing	Adds Homeownership Program unit as an exception to the prohibition of the owner residing in the assisted unit
9.20	Changes in Lease or Rent	Adds policy permitting the Housing Authority to disapprove changes in appliance responsibility from the owner to the tenant if the appliance has outstanding inspection deficiencies. Also, the Housing Authority will follow state and local laws and program requirements concerning noticing and rent increases
Chapter 10	Introduction	Moves disability modifications to the introduction from the local standards section, because the item is not a local standard
10.1.6	Quality Control Inspections	Removes reference to quality control inspections of off year units (units not due for inspection that year) to conform to current sampling procedures

Summary of Administrative Plan Changes, July 9, 2024 (Continued)

Section	Topic	Change
10.3	Determination of Responsibility	Updates section to align with the Housing Assistance Payments (HAP) contract
10.4	Additional Local Requirements	Updates section to add new carbon monoxide and smoke detector requirements
10.7	Special Requirements for Children with EBLL	Updates terminology and requirements concerning reporting elevated blood lead levels in children
11.3.4	Rent Reasonableness After Initial Lease-Up	Adds language indicating that the rent increase may not exceed what is permitted under State or local rent control law
11.5.4	Payment Standards – Emergency Housing Voucher Program	Amends the methodology for determining the Emergency Housing Voucher program payment standards to begin the process of aligning the EHV payment standards with the local payment standards
11.6	Rent to Owner Increases	Adds language that rent increases and notice requirements may be subject to State or local rent control
12.1.3	Recertifications – Traditional, Regulatory Assistance for Special Purpose Programs Except Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV)	Revises recertification period for the Family Self-Sufficiency program from every two years to annually
12.3.1 and 12.3.2	Interview Requirements	Removes Crime Free Form from the recertification forms
12.4	Failure to Respond to Notice to Recertify	Adds the use of the resident portal for conducting recertifications
12.8.1 and subparts	Changes in Family Composition	Clarifies when interim reexamination of family income is conducted for the different programs
12.8.2 and subparts	Changes in Income	Adds HOTMA requirement that interim reexaminations be completed within a reasonable time; generally, no longer than 30 days. Also, adds HOTMA requirements for non-MTW programs requiring interim reexaminations for increases to unearned income of 10% or more
12.8.3	Housing Authority Reviews	Adds HOTMA language concerning the correction of tenant rent calculation errors and adds de minimis errors in income determinations

Summary of Administrative Plan Changes, July 9, 2024 (Continued)

Section	Topic	Change
12.8.4 and subparts	Timely Reported Changes	Clarifies different effective dates for interim reexaminations for MTW and non-MTW programs under HOTMA
12.8.5	Untimely Reported Changes	Adds HOTMA requirements for the effective dates for interim reexaminations when the family does not report an interim change timely
12.10	Over-Income Families	Clarifies that Homeownership Program participants are exempt from the over-income activity
13.5	Denial of Moves	Adds stipulation that moves will not be approved in final 30-days of participation on a term-limited program
16.1.9	Revocation of Consent Form	Adds revocation of consent form as grounds for termination
16.2.4	Program Violations	Removes breach of the Crime Free Addendum from the list of termination reasons
16.3	Family Obligations/Voucher Violations	Updates family obligations to remove the Crime Free Addendum and add the other obligations listed on the Voucher
16.4	Termination Due to Insufficient Funds	Adds policy for how households will be selected for termination in the event of insufficient funding
18.1 & 18.1.1	Family Debts to the Housing Authority & Repayment Agreements	Updates policy on repayment agreements to provide opportunity to participants to make a downpayment if the amount owed is over \$5,000
18.4 and subparts	Records Management	Updates record retention policy to align with current procedures
19.2.1	Allowable Moves Under Portability for Participants – Term-Limited Lease Assistance and Streamlined Lease Assistance Programs	Adds that a portability move will not be approved if a family is participating in a term-limited program and assistance is ending within 30 days
19.3	Search Term Extensions	Adds that initial term of voucher will expire 30 days prior to the family's program termination date
20.10	Local Project-Based Voucher Subsidy for Developments Using Tax Credit Rents	Updates title and purpose of this section to align with changes in the MTW Plan

Change made throughout the Administrative Plan:

- Code of Federal Regulations (CFRs) and notices are struck out in many places because location of citations have changed.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

To administer the Housing Services program, the Housing Authority enters into a contractual relationship with HUD. The Housing Authority also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit. For the program to work and be successful, all parties involved – HUD, the Housing Authority, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

1.5.2 Housing Services Program Types

The Housing Authority administers ~~ten~~several distinct types of Housing Services programs. ~~All of All the~~ types, except for Term-Limited Lease Assistance and Emergency Housing Voucher (EHV) program, may be either tenant-based or project-based. Term-Limited Lease Assistance ~~is and EHV are~~ only available in the tenant-based ~~program assistance~~.

- **Term-Limited Lease Assistance** – Participants in the Term-Limited Lease Assistance program execute a Family Obligations Agreement (FOA) with the Housing Authority.¹ Each participant receives five years of housing assistance as long as they remain compliant with the FOA and continue to remain eligible for the program. This program became effective for all new non-elderly/non-disabled, tenant-based participants on January 1, 2012, including the former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, and all port-in families, families exercising mobility through the Project-Based Voucher program, and non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017.
- **Streamlined Fixed Lease Assistance for Elderly/Disabled Families** – Elderly/Disabled families who become participants after November 1, 2014 or were existing participants admitted to the program prior to November 1, 2014 and who have a recertification effective date of February 1, 2015 or later² will participate in the Streamlined Fixed Lease Assistance program.³ This also applies to the former

¹ The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance program.

² The recertification process for families with a February 1, 2015 or later effective date will be commenced in November, 2014.

³ The FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance programs. The Streamlined Fixed Lease Assistance program serves elderly/disabled families and the Streamlined Tiered Lease Assistance program serves Career Focused Families. Participants, who were not Term-Limited Lease Assistance

Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated based on gross income and receives no allowances or deductions. Rent is determined based on a set percentage of income throughout participation in the program.

- **Streamlined Tiered Lease Assistance for Career-Focused Families** – Existing participants who received assistance prior to January 1, 2012 and are not elderly/disabled households but who have a recertification effective date of February 1, 2015 or later are part of the Streamlined Tiered Lease Assistance for Career Focused Families program. This also applies to the former Upland Housing Authority (UHA) career focused families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future Plan references to Streamlined Tiered Lease Assistance families will also apply to these former UHA families. Each participant family has their income calculated on gross income and receives no allowances or deductions. Rent is determined based on an increasing percentage of income at each recertification.
- **Streamlined Fixed Lease Assistance for Career-Focused Families** – All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program.
- **Veteran's Affairs Supportive Housing (VASH)** – Assists homeless veterans with severe psychiatric or substance abuse disorders. The Housing Authority and Veterans Administration Medical Center have partnered to provide rental voucher and supportive services to eligible veterans. Except as otherwise specified in this document, the policies for HACSB's Moving to Work program shall apply to this program.
- **Local Disaster Short-Term Rental Assistance Program** – Assistance through this program will be limited to families displaced as the direct result of a local disaster. A local disaster is an event that occurs within the County of San

program participants and who had a recertification effective date prior to February 1, 2015, participated in the Transitional Assistance for MTW Families program until their next recertification, at which time they were transitioned to the Streamlined Lease Assistance program that they were determined to be eligible for. These participants were subject to HACSB rules that were implemented for MTW families. These specific rules were noted in the prior versions of the Administrative Plan.

Bernardino and may include a natural disaster, an act of terrorism, or other event as determined by the Housing Authority. The qualification of a local disaster shall be declared by the Housing Authority through its governing board. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.

- **Family Unification** - The Family Unification Program (FUP) is administered in partnership with the San Bernardino County Department of Children and Family Services (~~DCSCFS~~). Tenant-Based Voucher (TBV) rental assistance is provided to families for which the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care. Applications from residents of San Bernardino County are referred through ~~DCSCFS~~. The income and rental subsidy for this program shall align with the Streamlined Lease Assistance program methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.
- **Mainstream Vouchers** (formally Mainstream 5 and Mainstream 811) - Provides rental assistance for a family containing a member who is a person with disabilities between the ages of 18 – 61 to enable the family to rent suitable and accessible housing in the private market. Effective January 1, 2021, Mainstream 5 participants will transition to the Streamlined Lease Assistance for Elderly and Disabled at recertification.
- **Traditional, Regulatory Assistance for Special Purpose Programs** – Certain HUD programs are not eligible for inclusion in the Moving to Work Demonstration. These programs are administered in accordance with federal regulations and the specific criteria established by the special purpose program. HACSB's MTW Agreement and MTW Plans do not apply to any of these program types. These programs include:
 - **Continuum of Care** – Provides rental assistance for hard to serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.
 - **Housing Opportunities for People with AIDS (HOPWA)** – HACSB has partnered with the Foothill AIDS Project to offer rental assistance and supportive services to persons with HIV or AIDS.

- **Master Leasing Program** – Funded by the State of California Mental Health, this program serves mentally ill or developmentally disabled families in a group home setting. Case management and comprehensive support services are provided for participants of this program.
- **Family Self-Sufficiency** – The Family Self-Sufficiency (FSS) program enables families to increase their earned income and eliminate their dependency on public assistance and housing subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance while receiving housing assistance. The income and housing subsidy for this program shall align with the Traditional, Regulatory Assistance programs methodologies. Except as otherwise specified in this policy, the policies for HACSB's Housing Choice Voucher Program shall apply to this program.
- **Emergency Housing Vouchers** – Emergency Housing Vouchers authorized under the American Rescue Plan Act of 2021 to provide rental assistance to low-income families that are homeless; at risk of being homeless; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. Eligibility under these categories is defined in Notice PIH 2021-15 and program applicants are referred by the Coordinated Entry System and other partner organizations, who have Memorandum of Understanding with the Housing Authority.

1.6 Rules and Regulations

This Administrative Plan is set forth to define the Housing Authority's local policies for operation of the housing programs in the context of Federal laws and regulations. All issues related to the Housing Services program not addressed in this document are governed by the HACSB's MTW Agreement, MTW Plans, federal regulations, HUD memos, notices and guidelines, state and local laws, and other applicable laws. Applicable regulations include:

- CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: Fair Housing Act
- [24 CFR Part 574: Housing Opportunities for Persons with AIDS](#)

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

On February 14, 2023, HUD published the final rule of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) implementing sections 102, 103, and 104 of HOTMA. The final rule is effective January 1, 2024. However, housing authorities were afforded one year to transition to the new HOTMA rules. The timing of implementation is contingent upon HUD completing necessary changes to reporting systems.

The HOTMA sections in this Plan were adopted in conjunction with the agency's MTW Annual Plan and prior to the establishment of a transition date. Therefore, HOTMA provisions are identified throughout this Plan as being "effective on 10/1/2024 or as soon as practicable thereafter." As soon as an implementation date is determined, all HOTMA policies and rules will be implemented at the same time unless otherwise specified.

1.7 Fair Housing Policy [24 CFR 982.54(d)(6)]

The Housing Authority is committed to nondiscrimination in housing and does not discriminate on the basis of race, color, religion, creed, sex (including sexual orientation and gender identity), national or ethnic origin, age, familial or marital status, source of income, and disability/handicap. Program eligibility determinations are made without regard to actual or perceived sexual orientation, gender identity, or marital status. The Housing Authority complies 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 2013)
- 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

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Surviving spouse of a Veteran

~~2.2.8.3.2 Mainstream Program Preference~~

~~HAGSB will give a limited preference to non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless, or persons who previously experienced homelessness and are currently a participant in a permanent supportive housing or rapid rehousing program. The definitions stated in the 2019 Mainstream Notice of Funding Availability (NOFA) are used for the Mainstream Program preference. The preference is limited to ten (10) Mainstream vouchers or Mainstream turn-over vouchers per calendar year, whichever is less. However, fewer applicants may be selected under the Mainstream preferences if an insufficient number of applicants on the waitlist meet one of the preferences.~~

2.2.8.3.32 Other Preferences

Applications or referrals from designated partners received under “other preferences” described below will be assisted on a first come, first served basis and receive the highest priority on the wait list. Under these categories, applications and/or referrals may be accepted to the wait list for the tenant-based voucher program regardless of whether the Housing Authority wait list is open or closed, subject to available funding:

- A family participating in a Continuum of Care (CoC) program administered by the Housing Authority when CoC funding is not renewed;
- Participants that have utilized the Veterans Affairs Supportive Housing (VASH),⁹ Continuum of Care (CoC), or Housing Opportunities for People with ~~Aids~~ AIDS (HOPWA) for a 3~~-~~-year term, no longer require supportive services and are eligible to transition to the voucher program provided they meet all other eligibility requirements. HOPWA participants may transition sooner than 3 years due to extenuating circumstances, such as the death of the HOPWA eligible household member. CoC and VASH participants may transition sooner due to insufficient CoC or VASH funding. Verification from the supportive services provider stating that supportive services are no longer needed is required;
- No Child Left Unsheltered (NCLU) Families described below;⁹

⁹ The FY 2014 MTW Plan, Activity 23: No Child Left Unsheltered, set aside 40 tenant-based or project-based vouchers for the program. The FY 2018 MTW Plan modified the activity to add 20 tenant-based vouchers. The FY 2019 MTW Plan modified the activity to add that the NCLU families are transitioned to the TLA or SLA activity after two years of participation for those admitted after October 1, 2019.

- Families referred by HUD as part of a witness relocation program; or
- Families who are involuntarily displaced as described below.

2.2.8.3.23.1 No Child Left Unsheltered (NCLU)

Under NCLU, the Housing Authority assists unsheltered families with children and young adults participating in the Department of Children and Family Services Foster Care Aftercare Program. Families are either admitted to the program as a special admission or placed on a waiting list for this program.

Families with children must be unsheltered at time of application, but do not otherwise qualify as chronically homeless under the HUD definition, but who:

- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 90 days immediately preceding the date of application for homeless assistance; and
- Have experienced persistent instability as measured by two moves or more during the six-month period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical health or mental health conditions, substance use disorder, history of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or
- Two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

For young adults participating in the Aftercare program, applicants must be between the ages of 18-21 and in need of housing support to transition to stable independent living. To be eligible for housing support through this component of NCLU, the household must:

- Be referred by San Bernardino County Department of Children and Family Services;
- Be a low-income family as defined by HUD;
- Meet HACSB's criminal history background screening requirements; and
- Be an active participant in the Aftercare program.

HACSB has partnered with a variety of local community service providers, including the school system, to identify and refer families, particularly those with school-age children,

CHAPTER 3: ELIGIBILITY FACTORS FOR ADMISSION

3. Introduction [24 CFR 982.54(d)]

This chapter defines the criteria used by the Housing Authority to determine program eligibility, and the requirements that families and family members must meet in order to receive assistance under the program. This chapter also clarifies the circumstances that may lead to a denial of admission, and the process for notifying families if they are denied admission.

Family members being added to households that are currently receiving assistance are subject to eligibility factors described in Chapter 15.

The intent of these policies is to maintain consistency and objectivity in evaluating the eligibility of families who apply for the programs. The criteria listed in this chapter are the only factors used to review eligibility to minimize the possibility of bias or discrimination. Selection shall be made without regard to, race, color, religion, creed, sex (including sexual orientation and gender identity), national or ethnic origin, age, familial or marital status, source of income, and disability/handicap. Program eligibility determinations are made without regard to actual or perceived sexual orientation, gender identity, or marital status.

3.1 Eligibility Factors and Requirements [24 CFR 982.201 and 24 CFR 982.552]

In accordance with HUD regulations, the Housing Authority has established the following eligibility criteria, which are detailed throughout this chapter. To be eligible for admission, an applicant family must:

- Meet the definition of a “family” as defined in this Chapter;
- Be within the appropriate income limit;
- Have net family assets that do not exceed the program’s asset limitation;¹⁰
- ~~Does not own real property suitable for occupancy;~~¹¹
- Have at least one family member who is a citizen, or a non-citizen with eligible immigration status [24 CFR §5.508]; and

¹⁰ The asset limitation is \$100,000 and will be adjusted annually for inflation. This provision will be implemented for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

¹¹ The limitation on real property ownership will be implemented for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

- Disclose the complete and accurate social security number (SSN) assigned to each household member and provide the documentation necessary to verify each SSN. This requirement does not apply to noncitizens who do not contend eligible immigration status.

The Housing Authority will also deny admission as follows:

- If applicant fails to meet specified criteria regarding drug abuse and other criminal activity;
- If the applicant is a current participant of the same program or PBV development for which an application has been submitted (such as an applicant for the Term-Limited Lease Assistance program who is a current participant of the Term-Limited Lease Assistance program);
- If applicant fails to submit required consent forms or any other Housing Authority-required information to verify family eligibility, composition, or income (including birth certificates and valid government issued identification);
- If applicant is in violation of other criteria listed in this Chapter;
- If the applicant is a member, officer, or employee of the Housing Authority who formulates policy or influences decisions with respect to federally-funded rental assistance programs or a public official or a member of the local governing body or member of Congress; or
- If applicant is a student enrolled in an institution of higher learning and meets all the criteria listed in the Full-Time Student section of Chapter 4: ~~Members~~.

The Housing Authority's procedures regarding notification and informal reviews for applicants who are denied assistance can be found at the end of this chapter. The Housing Authority may take into consideration any admission criteria listed in this chapter in order to screen applicants for program eligibility; however, it is the owner's responsibility to screen applicants for family behavior and suitability for tenancy.

The Housing Authority will assist and advise applicants on how to file a complaint if they have been discriminated against by an owner.

3.2 Family Composition [24 CFR 982.201(c)]

This section outlines the Housing Authority definitions of what constitutes a family for the purposes of admission. Definition of individual household members is described in Chapter 4.

1. An extremely low-income family (a family whose gross annual income does not exceed thirty percent (30%) of the established median income for the Riverside-San Bernardino Metropolitan Statistical Area); or
2. A very low-income family (a family whose gross annual income does not exceed fifty percent (50%) of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area); or
3. A low-income family (a family whose gross annual income does not exceed eighty percent (80%) of the median income for the Riverside-San Bernardino Primary Metropolitan Statistical Area).

To determine if the family is income-eligible, the Housing Authority compares the annual gross income of the family to the applicable income limit for the family's size. Families whose annual gross income exceeds the income limit will be denied admission and offered an informal review. Factors related to annual gross income are described in Chapter 6.

For initial lease-up at admission, families who exercise portability must be within the applicable low-income limit for the jurisdiction of the receiving Housing Authority in which they want to live.

3.6.2 Income Targeting [24 CFR 982.201(b)]

As required by HUD regulations and HACSB's MTW Agreement with HUD, seventy-five percent (75%) of all new admissions will be required to meet the definition of a very low-income family. To achieve the required balance, it may be necessary to skip over an otherwise eligible family. If this occurs, families that have been skipped over will retain their original position on the waiting list and will be admitted as soon as an appropriate opening becomes available.

3.6.3 Income Limits for Other Programs

Periodically, HUD has provided funding to the Housing Authority for projects involving preservation opt-outs and/or the expiration of a project-based contract. HUD provides the income limits applicable to those projects through specific regulation. The Housing Authority will follow HUD directives in determining admissions for such programs.

3.7 Asset Limitation [24 CFR 5.618(a)]

For post-HOTMA eligibility determinations effective 10/1/2024 or as soon as practicable thereafter, the cash value of a family's total net assets cannot exceed the current asset limit. The asset limit is adjusted annually by HUD.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Additionally, the applicant family is not eligible for assistance if any member of the household has a present ownership interest in, a legal right to reside in, and effective legal authority to sell, based on state or local laws of the jurisdiction where the property is located, real property that is suitable for occupancy by the family as a residence.

The restriction on owning property does not apply under the following circumstances:

- The family is applying for assistance under the Housing Choice Voucher program for a family-owned manufactured home or the homeownership option
- Property is jointly owned with someone else, and occupied by the owner who is not a member of the household receiving assistance
- A victim of domestic violence, dating violence, sexual assault, or stalking
- A family that is offering the property for sale

A family that owns a property may show it is not “suitable for occupancy” if it:

- Does not meet the disability-related needs for all members of the family as verified through the reasonable accommodation process
- Is not of sufficient size for the family (more than 2 persons per sleeping/living area)
- Is located in an area where residence would create a hardship for the family. For example, the location would be a hardship for the family’s commute to work or school if the one-way distance is more than 50 miles
- Is unsafe because of physical conditions unless issues can be easily remedied
- Cannot be a residence per local or state laws. For example, property is a storefront zoned for commercial use

3.8 Citizenship/Eligible Immigration Status [24 CFR 982.201(a) & 982.203(b)(4) & 5.508]

Eligibility for assistance is contingent upon a family’s submission of evidence of citizenship or eligible immigration status. In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Each family member, regardless of age, must submit a signed declaration of U.S. citizenship or eligible immigration status. The Housing Authority may request verification of the declaration according to verification guidelines detailed in this chapter and chapter 7.

3.78.1 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

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

do not apply to noncitizens who do not contend eligible immigration status. If the family fails to provide SSN documentation within the timeframes established by the Housing Authority, assistance will be denied in accordance with the policies described in Chapter 15.

3.9–10 Family Consent to Release of Information [24 CFR 5.230, 24 CFR 982.552(b)(3) HCV-GB p. 5-13]

Applicants must provide true and complete information to the Housing Authority whenever information is requested. The Housing Authority will obtain proper authorization from the family before requesting information from independent sources. The Housing Authority must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information ~~in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].~~

~~3.9.1 Term-Limited Lease Assistance and Streamlined Lease Assistance~~

~~All adult family members will be required to sign the HACSB-9886 “Authorization for Release of Information/Privacy Act Notice” that replaces HUD form 9886. In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.~~

~~3.9.2 Traditional, Regulatory Assistance for Special Purpose Programs [PIH Notice 2010-19]~~

All adult family members will be required to sign the HUD-9886-A “Authorization for Release of Information/Privacy Act Notice.” In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

3.101 Screening for Criminal Background and Drug Abuse [24 CFR 982.522 - 982.553 and PIH Notice 2012-28]

The Housing Authority will screen all applicants eighteen (18) years of age and older for criminal and drug related activity. Applicants will be advised on the pre-application and at the start of the eligibility process that criminal behavior may preclude admission to the Housing Services Program. All persons who sign the Disclosure Form, including the certification of criminal activity, declare under penalty of perjury that the information

3.142 Housing Services Program Determination

Once all eligibility factors have been confirmed, the Housing Authority will determine the Housing Services program for which the family qualifies. Program determination criteria are described in this section.

3.142.1 Term-Limited Lease Assistance

All applicants admitted after January 1, 2012, who are not elderly or disabled families are required to participate in the Term-Limited Lease Assistance program. All port-in families, families exercising mobility through the Project-Based Voucher program, non-legacy families in Rental Assistance Demonstration (RAD) units exercising mobility who are briefed on or after November 1, 2017, or as soon as practicable thereafter, and the former Upland Housing Authority waiting list applicants who are pulled on or after July 1, 2017, are required to participate in the Term-Limited Lease Assistance Program. No Child Left Unsheltered (NCLU) ~~(career-abled)~~ families admitted ~~on or after October 1, 2019~~ between January 1, 2020 and December 31, 2022, will transition to the Term-Limited Lease Assistance Program at the conclusion of the initial ~~two~~four-year period. All households admitted to the NCLU program after December 31, 2022 will transition after two-years.¹³ Exceptions to this policy may be made for families exercising portability or mobility through a VAWA accommodation. For the purpose of this program, a non-elderly family is one in which the head of household, spouse or cohead is fifty-six (56) years of age or younger. A non-disabled family is one in which the head of household, spouse or cohead is not disabled.

3.142.2 Streamlined Fixed Lease Assistance for Elderly/Disabled Families

The households that will be admitted to the Streamlined Fixed Lease Assistance for Elderly/Disabled Families include:

- All elderly/disabled applicants for Housing Services programs (excluding Term-Limited Lease Assistance eligible families) who are selected from the waiting list after February 1, 2015
- Incoming portability households for which HACSB bills the initial PHA
- Elderly/disabled families admitted under the No Child Left Unsheltered program criteria
- Moving On Strategy program criteria for Continuum of Care households
- Sponsor-based project-based voucher program criteria

¹³ The FY2023 MTW Report extended the transition period for certain participants on No Child Left Unsheltered.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Former Upland Housing Authority elderly/disabled families transferred through the HUD approved voluntary transfer on July 1, 2017

For the purpose of this program, an elderly family is one in which the head of household, spouse or cohead is fifty-seven (57) years of age or older. A disabled family is one in which the head of household, spouse or cohead is disabled.

No Child Left Unsheltered elderly/disabled families, admitted ~~on or after October 1, 2019~~between January 1, 2020 and December 31, 2022, will be transitioned to the Streamlined Fixed Lease Assistance program after ~~two~~four years of participation in the No Child Left Unsheltered (NCLU) program. All households admitted to the NCLU program after December 31, 2022 will transition after two-years.

3.142.2.1 Mainstream Vouchers

The Mainstream Voucher Program was developed to provide rental assistance to persons with disabilities who are seeking suitable, affordable, and accessible housing in the private market. Vouchers awarded under the Mainstream 811 NOFA are administered using the same rent calculation methods as the Streamlined Fixed Lease Assistance program.

3.142.3 Streamlined Tiered Lease Assistance for Career-Focused Families

All non-elderly and non-disabled -participants who received assistance prior to January 1, 2012 and have a recertification effective date of February 1, 2015 or later, including incoming portability families for which HACSB bills the initial PHA, families assisted under the No Child Left Unsheltered program criteria (admitted prior to October 1, 2019), families assisted under the sponsor-based project-based voucher program criteria, current project-based voucher participants, and/or former Upland Housing Authority career focused families transferred through the HUD approved voluntary transfer on July 1, 2017 will participate in the Streamlined Tiered Lease Assistance for Career Focused Families program as of their recertification date.

3.142.4 Streamlined Fixed Lease Assistance for Career-Focused Families¹⁴

All non-elderly and non-disabled families admitted under the project-based voucher program and sponsor-based project-based voucher program after January 1, 2017, will participate in the Streamlined Fixed Lease Assistance for Career-Focused Families program. Current project-based voucher and sponsor-based voucher participant families

¹⁴ HACSB's 2016 MTW Plan included revisions to Activity 22: Streamlined Lease Assistance, to add Streamlined Fixed Lease Assistance for Career-Focused Families.

4.3 Spouse of Head of Household or Cohead [HUD-50058 IB, p. 13]

A family may have a spouse or cohead, but not both. Spouse means the marriage partner of the head of household. The marriage partner, who in order to dissolve the relationship, would have to be divorced. This includes the partner in a common-law marriage. 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.

Cohead 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 cohead. Minors who are emancipated under state law may be designated as a cohead.

4.4 Other Adult [HUD-50058 IB, p. 13]

Other adult means a family member, other than the head, spouse, or cohead, who is eighteen (18) years of age or older. Foster adults and live-in aides are not considered other adults.

4.5 Dependent [24 CFR 5.603]

A dependent is a family member who is under eighteen (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, cohead, and live-in aides. Foster children and foster adults are not dependents.

4.6 Full-Time Student [24 CFR 5.603; HCV GB, p. 5-29]

A full-time student 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 be full-time is defined by the educational institution. No assistance shall be provided under Section 8 of the Housing Act of 1937 to any individual that meets the following criteria:

- Is enrolled as a student at an institution of higher education, as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);
- Is under twenty-four (24) years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child; and
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income.

The law does not apply to students who reside with parents who are applying to receive assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

4.7 Foster Children and Foster Adults [24 CFR 5.60~~39~~, 24 CFR 5.603; HUD-50058 IB, p. 13.]

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HACSB Local Inspection standards.

Children that are temporarily absent from the home as a result of placement in foster care are discussed later in this chapter.

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

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

A foster adult is defined as a member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone. The term foster child is not specifically defined by HUD regulations.

A foster child is a child 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.

CHAPTER 5: SUBSIDY STANDARDS

5. Introduction

HUD guidelines require that Housing Authority establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of Housing Authority's inspection standards. This chapter explains the subsidy standards which will be used to determine the assistance size for families when they are selected from the waiting list, as well as the Housing Authority's procedures when a family's size changes or a family selects a unit size that is different from the assistance size issued.

5.1 Determination of Subsidy Standard [24 CFR 982.402]

Applicants and participants of the Housing Services program are issued a document that allows them to search for a unit. This assistance document is known as the Family Obligations Agreement for the Term-Limited Lease Assistance program and the Streamlined Lease Assistance programs. The document is known as a Voucher for the Traditional, Regulatory Assistance for Special Purpose program families. Each document indicates what the authorized bedroom size for assistance is, and this is known as the subsidy standard.

The subsidy standard and determination of bedroom size are based upon the number of family members who will reside in the household. All standards in this section relate to the number of bedrooms on the assistance document, not the family's actual living arrangements. The unit size on the assistance document remains the same as long as the family composition meets the guidelines for the same unit size.

As required by federal regulations, the Housing Authority's subsidy standards shall provide for the smallest number of bedrooms needed to house a family without overcrowding. They will be applied consistently for all families of like size and composition, in a manner consistent with fair housing guidelines and inspection standards. All children anticipated to reside in a dwelling unit will be included, as members of the household. This may include children expected to be born to an applicant/participant, children who are in the process of being adopted by an applicant/participant, or children whose custody is being obtained by an applicant/participant.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

5.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veteran Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency Programs

The guidelines for determining the subsidy standard in this section apply to VASH and EHV applicants issued initial vouchers and participants issued vouchers for elective moves on or after October 1, 2024.

~~For Term-Limited Lease Assistance and Streamlined Lease Assistance, t~~The Housing Authority will assign one bedroom to two people, regardless of gender, age or relationship of family members, within the following guidelines:

GUIDELINES FOR DETERMINING SUBSIDY STANDARD		
Subsidy Standard	Minimum Persons in Household	Maximum Persons in Household
1 Bedroom	1	3
2 Bedrooms	3	5
3 Bedrooms	5	7
4 Bedrooms	7	9
5 Bedrooms	9	11
6 Bedrooms	11	13

- Foster children will be included in the determination of unit size only if they will be in the unit for more than twelve (12) months.
- Live-in aides will generally be provided a separate bedroom. No additional bedrooms are provided for the aide's family.
- Space may be provided for a dependent who is away at school but who lives with the family during school recesses.
- Space will not be provided for a family member, other than a spouse or cohead who will be absent most of the time, such as a member who is away in the military.
- Single person families shall be allocated one bedroom.
- If the family decides to move or is required to move, the subsidy standard will be based on the family's current composition and applicable agency standards.
- Alternative occupancy standards have been established that will permit certain project-based units to be occupied with up to two persons per bedroom. This flexibility will potentially allow a family leasing a project-based unit to be overhoused by occupying a larger unit than would normally be permitted under occupancy standards. Utilization of the alternative standards is on a case-by-case

basis and requires Housing Authority Approval. Refer to Chapter 20: Project-Based Assistance Program, ~~20.12.1~~. Alternative Occupancy Standards.

5.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section applies to VASH and EHV vouchers issued prior to October 1, 2024. For Traditional, Regulatory Assistance Programs and VASH, tThe Housing Authority will assign one bedroom to the Head of Household, Spouse and/or cohead and an additional bedroom for every two family members. For example, a 2-person household (Head of Household and child) would be eligible for a 2 bedroom.

5.2 Subsidy Standards Waiver [24 CFR 982.402(b)(8)]

The standards discussed above should apply to the vast majority of assisted families. However, in some cases, the Housing Authority may grant waivers to the subsidy standards. Examples of possible exceptions that may be justified include but are not limited to:

- The health of a family member.
- A reasonable accommodation for a person with a disability.

Requests based on health-related reasons must be verified, in writing, by a doctor or other medical professional. The request must specify the reason for the request and how providing a larger bedroom size would improve or accommodate the medical condition. In regard to requests for an additional bedroom, the Housing Authority may consider a living room or other available space that meets inspection standards as a living/sleeping area as long as it does not exceed the maximum occupancy standards described below.

A Housing Authority employee who has not been involved in the initial determination will review the subsidy standard exception request and then make a decision based on the specifics of the individual case. After the decision is made, the applicant or participant will receive written notification from the Housing Authority advising the applicant or participant of the decision regarding the exception.

To request a larger bedroom size than indicated by the subsidy standards for any other reason, the family must submit a written request within ten (10) calendar days of the Housing Authority's determination. The request must explain the need or justification for a larger bedroom size.

5.3 Housing Authority Error

If the Housing Authority makes an error in the subsidy standard designation, the family will be issued an assistance document indicating the appropriate size.

5.4 Household Composition Changes for Applicants

The number of bedrooms assigned to the family under the subsidy standard (subsidy size) is determined prior to the briefing by comparing the family composition to the Housing Authority subsidy standards according to the guidelines in section 5.1. After the family is briefed, additions to the household, except for additions as a result of birth, adoption or court-awarded custody, will be denied if the household addition will result in an increase to the family's subsidy size based on the program's subsidy standards.

5.4.1 Term-Limited Lease Assistance, ~~and~~ Streamlined Lease Assistance Programs, Veteran Affairs Supportive Housing, and Emergency Housing Voucher Programs

This section applies to VASH and EHV vouchers issued on or after 10/1/2024. Additions to the household, except birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the subsidy size on the current FOA in accordance with the subsidy standard of two people per bedroom. The living room would be considered a sleeping area for one person. For example, a family of four with a 2-bedroom subsidy size may add one additional household member. However, the family would not be upgraded to a 3-bedroom subsidy size.

5.4.2 Traditional, Regulatory Assistance for Special Purpose, ~~Veteran Affairs Supportive Housing, and Emergency Housing Voucher programs~~Programs

This section applies to VASH and EHV vouchers issued prior to 10/1/2024. Additions to the household, except birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family subsidy size on the current Voucher in accordance with the subsidy standard of one bedroom for the head of household, spouse, and/or cohead and an additional bedroom for every two family members. The living room will be considered a sleeping area for one person. For example, a head of household and two family members with a 2-bedroom voucher could add up to two additional household members. However, the family would not be upgraded to a 3-bedroom subsidy size.

5.5 Household Composition Changes for Participants

All changes that may affect the family's eligible subsidy standards must be reported within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The family must obtain approval of any additional family members before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the Housing Authority within ten (10) business days. Probable placement or custody must be verified through a social service/children's service agency or school and is subject to Housing Authority approval.

If changes in the family composition result in a reduction to the family's subsidy size according to the subsidy standards, the appropriate adjustments will be made at the next regularly scheduled recertification.

If the household exceeds the maximum occupancy standards for the unit due to an increase in family size, the Housing Authority will terminate the existing assistance contract with the landlord and allow the family to search for a suitable unit.

5.5.1 Term-Limited Lease Assistance, ~~and Streamlined Lease Assistance, Veteran Affairs Supportive Housing Voucher, and Emergency Housing Voucher Programs~~

This section applies to VASH and EHV participants who were issued vouchers on or after 10/1/2024. Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original subsidy size in accordance with the subsidy standard of two people per bedroom. The living room would be considered a sleeping area for one person. If a household addition is approved, the family's subsidy size will not be increased at recertification or moves. For example, a participating family of four with a 2-bedroom subsidy size could add one additional household member. However, the family would not be upgraded to a 3-bedroom subsidy size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

5.5.2 Traditional, Regulatory Assistance for Special Purpose, ~~Veteran Affairs Supportive Housing, and Emergency Housing Voucher pPrograms~~

This section applies to VASH and EHV participants who were issued vouchers before 10/1/2024. Additional family members, excluding birth, adoption or court-awarded custody, will be approved based on the occupancy standard of the original family subsidy size in accordance with the subsidy standard of one bedroom for the head of household, spouse and/or cohead and an additional bedroom for every two family members. The living room will be considered a sleeping area for one person. If an addition is approved, the family's subsidy size will not be increased at recertification or moves. For example, a head of household with two family members with a 2-bedroom subsidy size could add up to two additional household members. However, the family would not be upgraded to a

3-bedroom unit size. For additions due to birth, adoption, or court-awarded custody, the family's subsidy size will be increased at interim reexamination.

5.6 Flexibility of Unit Size Actually Selected [24 CFR 982.402, 24 CFR 982.517(d)]

The family may select a dwelling unit with a different size than their applicable subsidy standard, dependent upon their program. The impacts of a different unit size selection vary based on the applicant or participant's Housing Services Assistance program type. Each of these differences is outlined in the following sections.

5.6.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

In these programs, the Housing Authority may require a family to select a unit that is the same size as their voucher.¹⁸ Families in this program are permitted to lease an oversized unit.

- Larger than Subsidy Standard - The Housing Authority may prohibit a family from renting an otherwise acceptable unit because it is too large for the family. In instances where this is permitted, the rent for the unit must be comparable and the number of bedrooms is not more than one greater than the family's subsidy standard. Example: a family with a two-bedroom subsidy standard may select a unit that has no more than three bedrooms.
- Smaller than Subsidy Standard - The Housing Authority may permit a family to rent an otherwise acceptable unit with fewer bedrooms than the subsidy standard, provided that the unit does not exceed maximum unit occupancy requirements and that the number of bedrooms is not more than one smaller than the family's subsidy standard. Example: a family with a two-bedroom subsidy standard may select a unit that has no less than one bedroom.
- Subsidy Limitation – For families who select a unit size larger than the approved size voucher, the Housing Authority may limit the maximum subsidy for over-housed families to the average subsidy rate for families that are not over-housed with the same size voucher. Subsidy will be calculated in accordance with the applicable program as described in Chapter 6. This limitation will not be applicable for families under the fixed subsidy calculation.

¹⁸ The FY 2018 Moving to Work Annual Plan, Activity 20: Term-Limited Lease Assistance program for families and Activity 22: Streamlined Lease Assistance program included a unit size limitation. This limitation was in effect for Request for Tenancy Approvals received between July 1, 2021 and January 11, 2022.

CHAPTER 6: ANNUAL INCOME, ADJUSTED ANNUAL INCOME AND FAMILY RENT SHARE CALCULATION

6. Introduction [24 CFR 982.54(d)]

This chapter describes all policies related to income calculations and the calculation of family rent share for the Housing Services programs.

6.1 General Income Determination Requirements [24 CFR 5.609(a); 5.603, and 5.100]

~~The Housing Authority generally includes all income received by all family members except for income that is specifically excluded.~~ Annual income ~~means~~includes, with respect to the family:

- ~~• All amounts, monetary or not, unless specifically excluded below, received from all sources by each member of the family 18 years or older or is head of household or spouse of head of household, plus which:~~
- ~~• Unearned income by or on behalf of each dependent who is under 18 years of age.~~
- ~~• Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or~~
- ~~• Are anticipated to be received from a source outside the family during the twelve (12) month period following admission or the regularly scheduled recertification effective date; and~~
- ~~• Are not specifically excluded.~~

Income of temporarily absent family members is also included in family income.

6.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), ~~and Emergency Housing Voucher, and Family Self-Sufficiency Programs~~

For the purposes of initial eligibility, the Housing Authority also will calculate the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations and further information on family members is included in Chapter 4.

This section applies to the Emergency Housing Voucher (EHV), Family Self-Sufficiency, and Veterans Affairs Supportive Housing (VASH) programs effective January 1, 2019, or as soon as practicable thereafter.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(be)(85)].
Foster children and foster adults ¹⁹	Income for the care of a foster child or foster adult, including Kin GAP income, is included.
Head, spouse, or cohead and other adult family members	All sources of income not specifically excluded by the regulations are included, <u>except the full amount of student financial assistance is excluded.</u> ²⁰
Children under 18 years of age	Earned income is excluded [24 CFR 5.609(be)(43)]. All other sources of income, except those specifically excluded, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	<u>Student financial assistance and Employment</u> (earned) income is excluded [24 CFR 5.609(be)(1414)]. ²¹ All other sources of income, except those specifically excluded by the regulations, are included.

The exclusion of student financial assistance is for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

6.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH) ~~and~~, Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.1.1).

Annual income also means amounts derived from assets to which any member of the family has access. Assets are included in the annual income calculation for initial eligibility and recertifications, and to determine family rent share. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how

¹⁹ HACSB's MTW Plan Activity 5: Simplified Income Determination includes all income for the care of foster children.

²⁰ HACSB's FY2024 MTW Plan: Activity 5: Simplified Income Determination added all student financial assistance to the excluded income list.

²¹ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students. The FY2024 MTW Plan added all student financial assistance to the excluded income list.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

family composition affects income determinations and further information on family members is included in Chapter 4.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(be)(85)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(eb)(42 ; 5.609(b)(8)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Earned income is excluded [24 CFR 5.609(be)(34)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Earned income in excess of the dependent allowance is excluded [24 CFR 5.609(be)(1414)]. All other sources of income, except those specifically excluded by the regulations, are included.

6.2 Annual Income

Annual income is the total gross income a family has after adding all income ~~inclusions and except the income that is specifically excluded~~sions as described in this section. Adjusted annual income is discussed in Section 6.34 and recognizes allowances and deductions from annual income for certain Housing Services programs.

6.2.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, Family Self-Sufficiency Programs

The Housing Authority ~~is required to count~~s all income anticipated to be received from a source outside the family during the twelve (12) month period following admission or recertification effective date.²²

The Housing Authority generally will use current circumstances to determine anticipated income for the coming twelve (12) month period. ~~HUD authorizes the Housing Authority to use other than current circumstances to anticipate income except~~ when:

²² HACSB's FY2024 MTW Plan Activity 5: Simplified Income Determination describes the use of anticipated income for new admissions and recertifications.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

1. An imminent change in circumstances is expected
2. It is not feasible to anticipate a level of income over a twelve (12) month period (e.g., seasonal or cyclic income)
3. The Housing Authority believes that past income is the best available indicator of expected future income

The Housing Authority is 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.

The Housing Authority will use pay-stubs or earning statements 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 Housing Authority does not determine it is necessary to obtain additional third-party data.

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

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

- ~~When annual income cannot be anticipated for a full twelve (12) months, the Housing Authority may:~~
- Average known sources of income that vary to compute an annual income.
- ~~Annualize current income and conduct an interim reexamination if income changes. Use only the income anticipated to be earned based on historical analysis. Examples:~~
 - ~~A family member works 10 months out of the year: Annual income will reflect only the income anticipated to be earned during the 10-month period. For example, if a schoolteacher earns \$3,200 per month for 10 months in a year, the annual income will be \$32,000 (\$3,200 x 10).~~
 - ~~An analysis of past income shows that a family member receives seasonal increases in hours and overtime: Year-to-date may be used to calculate anticipated income.~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

- Average known sources of income that vary to compute an annual income.
- Annualize current income and conduct an interim reexamination of income changes if permitted under the interim policies.

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 Housing Authority to show why the historic pattern does not represent the family's anticipated income.

If the Housing Authority verifies a known change in income, such as an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

The Housing Authority counts all income anticipated to be received from a source outside the family during the twelve (12) month period following admission or recertification effective date.

The Housing Authority generally will use current circumstances to determine anticipated income for the coming twelve (12) month period. HUD authorizes the Housing Authority 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 a twelve (12) month period (e.g., seasonal or cyclic income)
3. The Housing Authority believes that past income is the best available indicator of expected future income

The Housing Authority is 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.

The Housing Authority will use pay-stubs 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 Housing Authority does not determine it is necessary to obtain additional third-party data.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

When the Housing Authority cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the Housing Authority 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. When annual income cannot be anticipated for a full twelve (12) months, the Housing Authority may:

- Average known sources of income that vary to compute an annual income.
- Annualize current income and conduct an interim reexamination if income changes.

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 Housing Authority to show why the historic pattern does not represent the family's anticipated income.

If the Housing Authority verifies a known change in income, such as an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

6.2.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family-Self-Sufficiency programs (see 6.2.1).

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

At the annual reexamination, the Housing Authority will analyze the family's income from the preceding 12-month period. The income calculation will take into consideration any interims during the last 12 months and income adjustments to reflect current income if there was a change in the previous 12-month period that was not accounted for.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

The Housing Authority counts all income anticipated to be received from a source outside the family during the twelve (12) month period following admission or recertification effective date.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The Housing Authority generally will use current circumstances to determine anticipated income for the coming twelve (12) month period. HUD authorizes the Housing Authority to use other than current circumstances to anticipate income when:

4. An imminent change in circumstances is expected
5. It is not feasible to anticipate a level of income over a twelve (12) month period (e.g., seasonal or cyclic income)
6. The Housing Authority believes that past income is the best available indicator of expected future income

The Housing Authority is 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.

The Housing Authority will use pay-stubs 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 Housing Authority does not determine it is necessary to obtain additional third-party data.

When the Housing Authority cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the Housing Authority 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. When annual income cannot be anticipated for a full twelve (12) months, the Housing Authority may:

- Average known sources of income that vary to compute an annual income.
- Annualize current income and conduct an interim reexamination if income changes.

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 Housing Authority to show why the historic pattern does not represent the family's anticipated income.

If the Housing Authority verifies a known change in income, such as an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.2.43 Annual Income Inclusions [24 CFR 5.609, 24 CFR ~~5.603~~, 24 CFR 5.100 5.233(a)(2) and HCV GB, p. 5-17]

~~There are nine primary types of income included in annual income.~~ Annual income includes all amounts, monetary or not, unless specifically excluded below, received from all sources by each member of the family 18 years or older or is head of household or spouse of head of household, and any unearned income by or on behalf of each dependent who is under 18 years of age. The most common types of included income are described. ~~Each type of income is described~~ in detail in the Section below.

6.2.43.1 Earned Income [24 CFR 5.609]

Earned income is defined as the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Earned income may be derived from full and part-time employment, seasonal work, independent contractor work or day labor. Earned income also includes net income from self-employment or a business as described below. All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire. These earned income sources are included in annual income unless specifically excluded in this Chapter. If there are bonuses or overtime which the employer cannot anticipate for the next twelve (12) months, bonuses and overtime received the previous year will be used. In either case, the family may provide and HACSB will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If, by averaging, an estimate can be made for those families whose income fluctuates from month-to-month, this estimate will be used so as to reduce the number of interim adjustments.

6.2.43.2 Business and Self-Employment Income [24 CFR 5.609(b)(28)]

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)]~~.

Net income is “gross income less business expense” [HCV GB, p. 5-19]. To determine business expenses that may be deducted from gross income, the Housing Authority will

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

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.

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

HUD regulations do not permit the Housing Authority to deduct from gross income the amortization of capital indebtedness. *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the Housing Authority will allow as a business expense interest, but not principal, paid on capital indebtedness.

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.

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

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.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.2.4~~3~~.3 Periodic Payments [24 CFR 5.609(b)(4) and HCV, p. 5-14]

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 that are included in annual income are:

1. Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. For pre-HOTMA actions, However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
2. Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.

A lump sum received as a result of a retirement account distribution, such as a Required Minimum Distribution, is counted as income.

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, ~~some~~ lump sums from Social Security and Department of Veterans Affairs disability benefits are excluded, and these are discussed under the excluded income section in this Chapter.~~in Section 6.3. When a delayed start payment is received and reported during the period in which the Housing Authority is processing a recertification, the Housing Authority will adjust the family share and Housing Authority subsidy 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 Housing Authority.~~

The Housing Authority 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 Housing Authority must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

6.2.4~~3~~.4 Payments in Lieu of Earnings [24 CFR 5.609]

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Payments in lieu of earnings, such as unemployment, worker's compensation, disability compensation, and severance pay, are counted as income 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 the full amount is received in a one-time lump sum (as a settlement, for instance), the payment is treated as a lump-sum receipt and excluded from income.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income 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.

~~6.2.43.5~~ Welfare Assistance [~~24 CFR 5.603(b) and 24 CFR 5.615~~]

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.

~~6.2.43.5.1~~ *Term-Limited Lease Assistance and Streamlined Lease Assistance*

The Housing Authority must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. This rule applies only if a family was receiving Housing Services program assistance at the time the sanction was imposed.

The Housing Authority must include in annual income "imputed" welfare income when a welfare agency imposes a sanction that reduces a family's welfare income because of one of the following:

1. Fraud by a family member in connection with the welfare program; or
2. Failure to participate in an economic self-sufficiency program; or
3. Noncompliance with a work activities requirement.

HACSB will also include in annual income imputed welfare income when the sanction is the result of:

4. A situation where a family member has not complied with other welfare agency requirements.²³

The imputed income is the amount the family would have received if the family had not been sanctioned. This requirement does not apply to reductions in welfare benefits where one of the following has occurred:

1. The expiration of a lifetime time limit on receiving benefits;
2. A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as in a case where the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

The Housing Authority will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements. The welfare agency, at the request of the Housing Authority, will inform the Housing Authority of:

- The amount and term of specified welfare benefit reduction for the family;
- The reason for the reduction; and
- Subsequent changes in term or amount of reduction.

The Housing Authority has a written memorandum of understanding in place with the local welfare agency which assists the Housing Authority in obtaining the necessary information regarding welfare sanctions.

The Housing Authority and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit program participants.

6.2.43.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. This rule applies only if a

²³ HACSB's MTW Activity 5: Simplified Income Determination allows for all welfare income to be counted, regardless of certain sanctions. This policy applies to Term-Limited Lease Assistance, Streamlined Lease Assistance, VASH and EHV programs.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

family was receiving Housing Services program assistance at the time the sanction was imposed.

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 Housing Authority must include in annual income "imputed" welfare income. The Housing Authority must request that the welfare agency inform the HACSB when the benefits of a participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

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

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

6.2.4~~3~~.6 Regular Contributions and Gifts ~~[24 CFR 5.609(b)(7)]~~

Regular contributions and gifts received from persons outside the household are counted in annual income. Any contribution or gift received every three (3) months or more frequently will be considered a "regular" contribution or gift, ~~unless the amount is less than \$1,200 per year~~. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. ~~This~~ does not include ~~casual contributions or~~ sporadic gifts, such as gifts for significant life events or milestones (e.g., holidays, birthdays, wedding gifts, baby showers, and anniversaries).

Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization are excluded from income. (See Chapter 7 for further definition.)

If the family's expenses exceed its known income, the Housing Authority will question the family about contributions and gifts. If the family indicated that it is able to meet the extra expenses due to gifts or contributions from persons outside the household, the amount provided will be included in the family's annual income.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.2.4~~3~~.7 Child Support and Alimony

Regular alimony and child support payments are counted in annual income. If the amount of child support or alimony received is less than the amount awarded by the court, the Housing Authority will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of the item(s) below are provided. Documentation of child support or alimony collection action filed through a child support enforcement /collection agency, or that an action has been filed through an attorney.

The Housing Authority will accept as verification that the family is receiving an amount less than the award if the Housing Authority receives verification from the agency responsible for enforcement or collection. It is the family's responsibility to supply a certified copy of the divorce decree.

Households who receive lump-sum payments of alimony or child support must report the payment within ten (10) business days of notification and the Housing Authority may conduct an interim recertification.

6.2.4~~3~~.8 Student Financial Assistance ~~[24 CFR 5.609(b)(9) and FR 12/14/12]~~

6.2.3.8.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs

The full amount of student financial assistance is excluded from income.²⁴

6.2.3.8.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.2.3.8.1).

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. Refer to the excluded income

²⁴ HACSB's FY2024 MTW Plan Activity 5: Simplified Income Determination adds all student financial assistance to the list of excluded income. This provision is for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

section in this Chapter for a detailed description of student financial assistance that is included and excluded from annual income.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Housing Services program assistance on their own—that is, apart from their parents.
- They are under twenty-four (24) years of age **OR** they have no dependent children.

For students who satisfy these three (3) conditions, any financial assistance ***in excess of tuition and any other required fees and charges*** received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the Housing Authority will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Chapter 4, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

1. *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, and State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
2. *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in a Housing Services program assisted unit.
3. *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled and will include any other fees and charges required by the institution for enrollment [FR 12/14/12, p. 74497].

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.2.4~~3~~.9 Adoption Assistance

Adoption assistance income is included as part of the families' annual adjusted income for the following programs: Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), and Emergency Housing Voucher programs.²⁵

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.2~~4~~ Annual Income Exclusions

Certain types of income are excluded from annual income. This section describes all income exclusions.

6.2.24.1 Excluded ~~Earned~~ Income [24 CFR 5.609(b) and Notice PIH-2009-19] For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

The following income sources are excluded from the calculation of annual income:

- ~~• Temporary, n~~Nonrecurring income, which is income that was received in the previous year that will not be repeated in the coming year. Income received as an independent contractor, day laborer, or seasonal worker or through a temporary staffing agency is not excluded from income even if the amount, source, and date of the income varies. Income that has a discrete end date and will not be repeated beyond the coming year will be excluded from the family's annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals for a period of greater than one year or that can be extended. or sporadic income, including gifts, is not included in annual income. Sporadic income is income that is not received periodically and cannot be reliably predicted. Sporadic income includes Examples of non-recurring income include U.S. Census Bureau employment income lasting no longer than 180 days, direct federal or state payments for economic stimulus or recovery, tax credits or refunds, guaranteed income program or research stipend that will end before the next reexamination, or lump sum additions to net family assets, such as lottery winnings.
- ~~• temporary payments from the U.S. Census Bureau for employment lasting no longer than one hundred and eighty (180) days~~

²⁵ HACSB's MTW Activity 5: Simplified Income Determination includes all income from adoption assistance.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Earned income of children ~~(including foster children)~~ under the age of eighteen (18) years ~~is not included in annual income [24 CFR 5.609(c)(1)]~~.
- Income ~~earned by~~ a live-in aide, ~~foster child, or foster adult as defined in is not included in annual income.~~
- ~~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)~~
 - ~~Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))~~
 - ~~Awards under the federal work-study program (20 U.S.C. 1087 (u))~~
 - ~~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)~~
- ~~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 Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time ~~[24 CFR 5.600(c)(8)(iv)]~~.
- ~~Incremental earnings and benefits to any family member resulting from participation in training programs funded by HUD or in a qualifying federal, 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)]~~. ~~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.~~
- ~~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.~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA), including: workforce investment activities for adults and workers dislocated as a result of permanent closure or mass layoff at a plant, facility or enterprise or a natural disaster that results in mass job dislocation, in order to assist such adults or workers in obtaining reemployment as soon as possible
- Deferred periodic payments of Supplemental Security Income, Social Security income or VA disability benefits that are received in a lump sum or prospective monthly amounts
- Payments made through state Medicaid-managed care system, other state agency or authorized entity to allow a family member with a disability to live at home, such as In Home Supportive Services. To be eligible for the exclusion, both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household [Notice PIH 2023-27]
- Any distribution of principal or corpus of an irrevocable trust or trust outside the control of the family
- Any distribution of income of an irrevocable trust or trust outside the control of the family that is used to pay for health and medical care expenses for a minor
- Any distribution from a revocable trust or trust under the control of the family (except income earned by the trust will be counted as asset income²⁶ and any distribution of interest earned on the trust principal will be counted as income)
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and worker's compensation. However, periodic payments paid at regular intervals for a period of greater than one year that are received in lieu of wages for workers' compensation continue to be included in annual income [Notice PIH 2023-27]
- Income earned by government contributions to or distributions from 'baby bond' accounts created, authorized or funded by federal, state or local government
- Reimbursement of health and medical care expenses
- Payments related to aid and attendance for veterans under 38 U.S.C. 1521

²⁶ Refer to the Assets and Asset Income section for applicability by program.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- 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
- 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)
- 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
- Refunds or rebates on property taxes paid on the dwelling unit
- Loan proceeds disbursed by a lender to a borrower or third party (e.g., educational institution or car dealership)
- Payment received by tribal members from claims relating to the mismanagement of assets held in trust by the United States
- Civil rights settlements or judgments, including settlements or judgments for back pay
- Amounts recovered in a civil action or settlement based on malpractice, negligence and other breach of duty claim resulting in a family member becoming disabled
- Income earned on amounts placed in a family's Family Self-Sufficiency (FSS) escrow account
- Replacement housing "gap" payments to offset increased rent and utility costs to families displaced from one federally subsidized unit to another federally subsidized unit
- Amounts specifically excluded by any other federal statute including: [FR Notice 1/31/2024]
 - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets
 - Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(1), 5058), except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Services appointed under 42 U.S.C. 12651c determines otherwise. This exclusion also applies to assets
 - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626©). This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e). This exclusion also applies to assets
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)). This exclusion also applies to assets
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04). This exclusion also applies to assets
- 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. This exclusion does not include proceeds of gaming operations regulated by the Commission (25 U.S.C. 1407-1408). This exclusion also applies to assets
- Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), 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 only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- 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 Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets
- Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- The value of any childcare 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. 9858g)
- Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets
- The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt
- 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). This exclusion also applies to assets
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22). This exclusion also applies to assets
- 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). This exclusion also applies to assets
- Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3214(a)(2))
- Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC. This exclusion also applies to assets
- Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101-503 section 8(b)). This exclusion also applies to assets
- 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. This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4))
- Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407)
- Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by States, local governments, and disaster assistance organization. This exclusion also applies to assets
- Any amounts in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295), as described in Notice PIH 2019-09/H 2019-06) or subsequent or superseding notice is excluded from income and assets
- Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. This exclusion also applies to assets

For pre-HOTMA actions effective prior to the enactment of the post-HOTMA provisions above:

The following income sources are excluded from annual income:

- Temporary, nonrecurring or sporadic income, including gifts, is not included in annual income. Sporadic income is income that is not received periodically and

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

cannot be reliably predicted. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than one-hundred and eighty (180) days

- Employment income earned by children (including foster children) under the age of eighteen (18) years is not included in annual income [24 CFR 5.609~~(e)~~©(1)].
- Income earned by a live-in aide, as defined in is not included in annual income.
- 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)
 - Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
 - Awards under the federal work-study program (20 U.S.C. 1087 (u))
 - 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)
- 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 Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].
- 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)].
- 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.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- 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.
- Lump-sums received as a result of delays in processing Social Security and SSI payments
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA)
- 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.
- Reimbursement of medical expenses
- 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
- 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)
- 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
- Adoption assistance payments in excess of \$480 per adopted child is excluded for Traditional Regulatory Assistance Families.
- Refunds or rebates on property taxes paid on the dwelling unit
- 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
- Amounts specifically excluded by any other federal statute including:
- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC. This exclusion also applies to assets
- Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(gf)(1), 5058). except as determined by the Chief Executive Officer of the Corporation for National and Community Service. This exclusion also applies to assets
- Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)). This exclusion also applies to assets
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e). This exclusion also applies to assets
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)). This exclusion also applies to assets
- Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04). This exclusion also applies to assets
- Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)). This exclusion also applies to assets
- 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. This exclusion also applies to assets
- 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). This exclusion also applies to assets
- Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- 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 Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.). This exclusion also applies to assets
- Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721). This exclusion also applies to assets
- The value of any childcare 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)
- Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets
- The amount of any refund (or advance payment with respect to a refundable credit) issued under Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409)
- 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). This exclusion also applies to assets
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- 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). The exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees 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. 1437a(b)(3)(E) (Pub. L. 109–249)
- 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). This exclusion also applies to assets
- An individual's ABLE account as required under the Achieving a Better Life Experience Act of 2014 (specifically, the account balance, contributions to the account, and distributions from the account)
- Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Vietnam veterans born with certain birth defects (38 U.S.C. 1821), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821). This exclusion also applies to assets

- Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4))
- Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets
- Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. This exclusion also applies to assets

~~6.2.24.1.1~~ *Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs*

The following items are also excluded from annual income:

- Earned income for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead)²⁷
- Full amount of student financial assistance²⁸
- ~~Earnings for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead) are not counted²⁹.~~

~~This section—exclusion of full-time student earnings~~ applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

²⁷ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students.

²⁸ HACSB's MTW Activity 5: Simplified Income Determination excludes all student financial assistance for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

²⁹ ~~HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students.~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

~~6.2.24.1.2 Traditional, Regulatory Assistance for Special Purpose Households~~

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), ~~and Emergency Housing Voucher, and Family Self-Sufficiency programs~~ (see 6.2.24.1.1).

The following are also excluded for Traditional, Regulatory Assistance for Special Purpose Households:

- ~~• Earnings-Earned income in excess of \$480 for the dependent deduction for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead) are not counted.~~
- ~~• Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income~~
- ~~• Adoption assistance payments in excess of the deduction for a dependent [24 CFR 5.609(b)(15)]~~

~~6.2.2.2 Excluded Periodic Payments [24 CFR 5.609 and FR Notice 11/24/08]~~

- ~~• Lump-sums received as a result of delays in processing Social Security and SSI payments~~
- ~~• Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA)~~
- ~~• 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. 9858g) [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.~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

~~6.2.2.3 Traditional, Regulatory Assistance for Special Purpose Programs [24 CFR 5.609(c)(2) and Notice PIH 2012-1]~~

~~In addition to the above-described periodic payment exclusions, the following are also excluded for Traditional, Regulatory Assistance for Special Purpose program applicants and participants:~~

- ~~• Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income~~

6.2.24.2 Excluded Student Financial Assistance [24 CFR 5.609(c)(6)]

This section applies to Traditional, Regulatory Assistance for Special Purpose Households, excluding VASH and EHV, for post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:

The following student financial assistance is excluded from the calculation of annual income while the student is attending an institution of higher education as defined under section 102 of the Higher Education Act of 1965:

- Any amount in or from, or any benefits, income, or distributions from any Coverdell educational savings account or any qualified program under IRS sections 529 and 530
- Full amount of assistance received under section 479B of the Higher Education Act of 1965, such as Federal Pell Grants, Teach Grants, Federal Work-Study Programs, and Federal Perkins Loans, except as follows:
 - For students who are age 23 and under or without dependent children, any amounts received under Title IV of HEA and the Bureau of Indian Affairs student assistance in excess of tuition and fees shall be counted in annual income.
- Student loans
- Other student financial assistance, such as a grant, scholarship, or other assistance amounts for the actual covered costs charged by the institute of higher education
 - Other student financial assistance exceeding the cost of tuition, books, supplies, fees or the cost of housing (for students who are not the head of

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

household or spouse) if not living in the unit while attending school is counted as income

For students who are age 23 and under or without dependent children, any amounts received under Title IV of HEA and the Bureau of Indian Affairs student assistance in excess of tuition and fees shall be counted in annual income.

This section is applicable to pre-HOTMA actions effective prior to the implementation of post-HOTMA provisions above:

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Housing Services program assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over twenty-three (23) **AND** have at least one dependent child
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

~~6.2.2.5 Additional Exclusions from Annual Income [24 CFR 5.609] —~~

~~Other exclusions that have not been discussed earlier in this chapter include the following:~~

- ~~• Reimbursement of medical expenses~~
- ~~• 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~~
- ~~• 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)~~
- ~~• 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~~
- ~~• Adoption assistance payments in excess of \$480 per adopted child is excluded for Traditional Regulatory Assistance Families.~~
- ~~• Refunds or rebates on property taxes paid on the dwelling unit~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- ~~• An individual's ABLE account as required under the Achieving a Better Life Experience Act of 2014 (specifically, the account balance, contributions to the account, and distributions from the account)~~
- ~~• 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~~
- ~~• Amounts specifically excluded by any other federal statute including:~~
 - ~~• The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))~~
 - ~~• Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)~~
 - ~~• Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))~~
 - ~~• Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)~~
 - ~~• Payments or allowances made under the Department of Health and Human Services' Low Income Home Energy Assistance Program (42 U.S.C. 8624(f))~~
 - ~~• Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)~~
 - ~~• 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)~~
 - ~~• 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). The exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees 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. 1437a(b)(3)(E) (Pub. L. 109-249)~~
 - ~~• Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- ~~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 Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)~~
- ~~Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)~~
- ~~The value of any childcare 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)~~
- ~~Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))~~
- ~~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)~~
- ~~Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))~~
- ~~Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05) children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1821), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821)~~
- ~~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)~~
- ~~Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)~~
- ~~Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIG~~
- ~~Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))~~
- ~~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, Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(h)(4))~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- ~~• Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)~~
- ~~• Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d))~~

~~Other exclusions that have not been discussed earlier in this chapter include the following:~~

~~6.2.24.63 Earned Income Disallowance [24 CFR 5.617]~~

~~6.2.24.73.1 Term-Limited Lease Assistance and Streamlined Lease Assistance~~

~~There is no earned income disallowance for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance programs.³⁰~~

~~6.2.24.8-3.2 Traditional, Regulatory Assistance for Special Purpose Programs~~

~~This section applies to Veterans Affairs Supportive Housing (VASH), and Emergency Housing Voucher, and Family Self-Sufficiency programs.~~

~~Participants will no longer be enrolled in the Earned Income Disallowance (EID) on or after 1/1/2024. All EIDs will sunset on or before 12/31/2025.~~

~~For actions effective prior to 1/1/2024:~~

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time.

This disallowance applies only to individuals in families already participating in the Traditional, Regulatory Assistance for Special Purpose Program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one (1) of the following events:

1. Employment of a family member who is a person with disabilities and who was previously unemployed for one (1) or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than would be

³⁰ HACSB's MTW Activity 5: Simplified Income Determination eliminates the Earned Income Disallowance for MTW programs.

received for 10 hours of work per week for 50 weeks at the established minimum wage. The applicable minimum wage is the greater of federal, state or local minimum wage.

2. Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
3. New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six (6) 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 (6) month period must be at least \$500.

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income." The Housing Authority defines prior income, or prequalifying income, as the family member's last certified income prior to qualifying for the EID. The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

During the initial twelve (12) month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The twelve (12) months are consecutive, regardless of breaks in employment. 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.

During the second twelve (12) month exclusion period, the exclusion is reduced to at least half (50 percent) of any increase in income attributable to employment or increased earnings. The twelve (12) months are consecutive.

The EID has a two (2) year (24 month) lifetime maximum. The two (2) year eligibility period begins at the same time that the initial exclusion period begins and ends twenty-four (24) months later.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.2.51.9 Assets and Asset Income [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Assets will be calculated using the policies in this Section. HUD requires that the Housing Authority include in annual income the income derived from assets, such as interest, dividends, and other net income of any kind from real or personal property. This section discusses how to calculate net family assets and how the income from various types of assets is determined. For most types of assets, the Housing Authority 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 net family assets will be determined
- How income from the asset will be calculated

6.2.5.14.9.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing, ~~and~~ Emergency Housing Voucher, and Family Self-Sufficiency Programs

For the purposes of initial eligibility, the Housing Authority will calculate the amounts from assets to which any member of the family has access. These assets and asset income will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating ~~total annual income or~~ family rent share.³¹ If the net family assets exceed the asset limit at initial eligibility determination, assistance will be denied.³²

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

6.2.5.22.1.9.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), ~~and~~ Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.2.4.59.1).

Assets income is ~~are~~ included in the annual income calculation for initial eligibility and recertifications. A Net family assets ~~also~~ are used to determine initial eligibility,³³ and asset income is used to determine family rent share.

³¹ MTW Activity 5: Simplified Income Determination excludes assets from the tenant rent portion calculation.

³² The asset limit for initial eligibility determinations will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

³³ The asset limit for initial eligibility will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

~~6.2.1.9.3 Assets Overview~~

~~Assets will be calculated using the policies in this Section. HUD requires that the Housing Authority include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the Housing Authority 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~~

6.2.5.31.9.4 General Policies

The Housing Authority 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 t~~However, the Housing Authority to may 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 twelve (12) months or (3) the Housing Authority believes that past asset income if it is the best indicator of anticipated asset income.

~~6.2.5.4 1.9.5 Valuing Assets [HCV GB, p. 5-28]~~Net Family Assets [24 CFR 5.603(b)]

~~Net family assets are the cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and forms of capital investment. The calculation of asset income sometimes requires the Housing Authority to make a distinction between an asset’s market value and its cash value. The cash value of all assets owned by the family are included in the calculation of net assets unless specifically excluded below.~~

~~The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).~~

~~The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.~~

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.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Unless specifically excluded, 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).

Also included in the calculation of net assets is the value of any business or family asset disposed of for less than fair market value, including the disposition in trust, but not in a foreclosure or bankruptcy sale, during the two (2) years preceding the date of application for the program or reexamination. 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 consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investment from family assets.

~~6.2.1.9.6 Lump Sum Receipts [RHIIP FAQs]~~

~~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).~~

6.2.5.5 Excluded Assets [24 CFR 5.603(b)(3) and (4)]³⁴

The following assets are excluded from the calculation of net family assets:

- Necessary items of personal property
- Non-necessary items of personal property if the combined total value does not exceed \$50,000*
- Retirement account recognized by the IRS, such as IRA, 401k, 401b and retirement plans for self-employed individuals*
- Real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located*

³⁴ Excluded assets marked with an asterisk will be excluded from the net family assets for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability*
- The value of certain education or disability support savings accounts, such as accounts under IRS code sections 529, 529A, 530, and any 'baby bond' account authorized or funded by Federal, state or local government*
- Interest in Indian trust land
- Equity in a manufactured home where the family receives assistance with the space rent or property assisted under the Homeownership Program*
- Family Self-Sufficiency account
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family*
- Full amount of assets held in an irrevocable trust
- Full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family

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

For post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:

When net family assets are \$50,000 or less, the Housing Authority will include in annual income the actual ~~income anticipated return to be~~ derived from the net family assets. When the family has net family assets in excess of \$50,000, the Housing Authority will include in annual income ~~the greater of~~ (1) the actual income derived from the assets ~~or~~ plus (2) the imputed income of any asset where the actual income cannot be determined. Assets where income cannot be determined are non-financial assets that do not generate income, such as jewelry or a recreational boat. Imputed income from assets is calculated by multiplying the ~~total cash value of all family assets~~ of the asset by the current PHAHUD- established passbook ~~savings~~ rate.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

When net family assets are \$5,000 or less, the Housing Authority 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 Housing Authority will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current PHA-established passbook savings rate.

~~6.2.5.74-9.8-~~ Determining ~~Actual Anticipated~~ Income from Assets

It may or may not be necessary for the Housing Authority 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-cash~~ value. However, if the asset is a savings account, the anticipated income is determined by multiplying the ~~market-cash~~ value of the account by the interest rate on the account.

~~6.2.5.84-9.9-~~ Withdrawal of Cash or Liquidation of Investments

For post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:

Any regular withdrawal of cash or assets from an investment, such as a retirement account, will be included in income.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

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

~~6.2.5.94-9.10-~~ Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the Housing Authority 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 Housing Authority will prorate the asset according to the percentage of ownership. If no percentage is specified or

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

provided for by state or local law, the Housing Authority will prorate the asset evenly among all owners.

~~6.2.4.9.11~~ 6.2.4.9.10 Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b) and HCV GB, p.5-27]

HUD regulations require the Housing Authority to count as a current asset any business or family asset that was disposed of for less than fair market value during the two (2) years prior to the effective date of initial eligibility or recertification, except as noted below.

The Housing Authority 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 (2) years exceeds the gross amount received for the assets by more than \$1,000. When the two (2) year period expires, the income assigned to the disposed asset(s) also expires. If the two (2) year period ends between recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments. 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. Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

~~6.2.5.11~~ 6.2.5.12 Types of Assets

~~6.2.5.11.11~~ 6.2.5.11.12.1 Checking and Savings Accounts

For post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:

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-asset~~ income from the account is zero. In determining the value of a checking and savings account, the Housing Authority will use the average monthly balance on the most recent two months' statements.

If the total value of non-necessary items of personal property (including the value of the checking and/or savings account) is less than \$50,000, then the checking/savings account balance is excluded from net family assets. However, the income derived from

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

the asset will be included unless it is specifically excluded. If the value of non-necessary items of personal property is more than \$50,000, ~~In determining the anticipated income from an interest-bearing checking or savings account, the Housing Authority will multiply the value of the account by the current rate of interest paid on the account.~~the asset value will be included in the calculation of net family assets.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

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 asset income from the account is zero. In determining the value of a checking and savings account, the Housing Authority will use the average monthly balance on the most recent two months' statements. The Housing Authority will multiply the value of the account by the current rate of interest paid on the account to determine asset income.

6.2.5.11.21.9.12.2 Investment Accounts Such as Stocks, Bonds, Savings 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.

In determining the market value of an investment account, the Housing Authority 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 ~~fixed~~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~~a fixed amount (e.g., ~~stocks~~dividends from mutual fund), the Housing Authority will calculate asset income based on the earnings for the most recent reporting period.

6.2.5.11.31.9.12.3 Equity in Real Property or Other Capital Investments [~~HCV-GB, p. 5-25~~24 CFR 5.618]

For post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter, applicants may not own real property that is suitable for occupancy. Refer to Chapter 3 for real property provisions that apply to initial program eligibility.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Equity (cash value) in a property that does not otherwise exclude the family from participation 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. In determining the equity, the Housing Authority 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 Housing Authority 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 Housing Authority 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~~ net family assets **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home ~~currently being purchased with assistance~~ assisted under the Housing Services program Homeownership Option ~~for the first ten (10) years after the purchase date of the home~~ [24 CFR 5.618(a)-5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives and is receiving assistance under 24 CFR 982.620 [~~HCV GB, p. 5-25~~ 24 CFR 5.618(a)]
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located
- Equity in real property when a family member's main occupation is real estate [~~HCV GB, p. 5-25~~ unless the real estate excludes the family from participation]. This real estate is considered a business asset, and income related to this asset will be calculated as described in ~~section 6-I.F~~ this chapter.
- 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 Housing Authority 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].

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

A family may have real property as an asset in two (2) 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.

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 Housing Authority determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

6.2.5.11.41.9.12.4 Trusts [HGV GB, p. 5-25 Notice PIH 2023-27]

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. 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.

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 and any interest earned by the trust would not be considered income. For treatment of trust distributions refer to the annual income section of this Chapter. 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)].

6.2.5.11.51.9.12.5 Retirement Accounts [HGV GB, p.5-26 24 CFR 5.603(b), 24 CFR 5.609(b)]

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

The value of retirement accounts recognized by the IRS, such as IRA, 401(k), 401(b), and retirement plans for self-employed individuals, are excluded from assets and any asset income derived from these plans is also excluded from income. However, any distribution of periodic payments from these accounts shall be income at the time they are received by the family.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

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 Housing Authority must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset.

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, except to the extent that it represents funds invested in the account by the family member. 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 are counted as assets even though early withdrawal would result in a penalty.

~~6.2.5.11.61.9.12.6~~ *Personal Property [24 CFR 5.603(b) and HCV GB, p. 5-26]*

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Necessary items of personal property are excluded from assets.

Non-necessary items of personal property, such as checking/savings accounts, recreational boat, art, coin collection, or vintage baseball cards, having a combined total value exceeding \$50,000 are counted as assets. If the value of the non-necessary items of personal property cannot be verified, a self-certification will be accepted.

Examples of necessary and non-necessary personal property for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

<u>Necessary Personal Property</u>	<u>Non-necessary Personal Property</u>
<u>Car(s)/vehicle(s) that a family relies on for transportation for personal or business use</u>	<u>Recreational car/vehicle not needed for day-to-day transportation, such as camper bans, travel trailers, all terrain vehicles</u>
<u>Furniture, carpets, linens, kitchenware</u>	<u>Bank accounts or other financial investments, such as checking account, savings account, stocks/bonds</u>

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

<u>Common appliances and electronics, such as kitchen appliances, television</u>	<u>Recreational boat/watercraft</u>
<u>Clothing and personal effects that are not luxury items</u>	<u>Collectibles, such as coins or stamps</u>
<u>Personal computers, phones, tablets, and related equipment</u>	<u>Items such as gems/precious metals, antique cars, artwork</u>
<u>Medical/health care-related equipment and supplies</u>	<u>Equipment/machinery that is not used to generate income for a business, such as a wood working equipment for a hobby</u>
<u>Wedding and engagement rings; jewelry used in cultural/religious ceremonies</u>	<u>Expensive jewelry without religious or cultural value</u>
<u>Musical instruments used by the family</u>	
<u>Exercise equipment</u>	

For pre-HOTMA actions effective before the enactment of the post-HOTMA provisions above:

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property or property held as an investment, the Housing Authority will use the family's self-certification ~~estimating~~ of the value. The Housing Authority may obtain an appraisal to confirm the value of the asset 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)]. Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

~~6.2.5.11.74.9.12.7~~ Life Insurance [HCV GB, p.5-26]

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. 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.

6.3 Adjusted Annual Income

6.3.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

There are no adjustments to household income for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs. All subsidy and family rent shares are determined using annual income.³⁵

6.3.2 Traditional, Regulatory Assistance for Special Purpose Programs

There are five (5) allowable adjustments to annual income for families in the Traditional, Regulatory Assistance for Special Purpose Programs. Each of these is described in this section.

6.3.2.1 Dependent Deduction [24 CFR 5.611](a)(1)]

A HUD-determined deduction amount of \$480 is taken for each dependent is subtracted from annual income. The amount of the deduction is determined by HUD [24 CFR 5.611(a)(1)]. The most current deduction amount will be applied at admission, interim reexamination or recertification. However, the Housing Authority will not conduct an interim reexamination only to change to the deduction amount. Dependent is defined in Chapter 4.

6.3.2.2 Elderly or Disabled Family Deduction [24 CFR 5.611(a)(1)]

A single deduction of \$400 is taken amount for any elderly or disabled family is subtracted from annual income [24 CFR 5.611(a)(2)]. The amount of the elderly or disabled family deduction is determined by HUD. The most current deduction amount will be applied at admission, interim reexamination or recertification. However, the Housing Authority will not conduct an interim reexamination only to change to the deduction amount. An *elderly family* for the purposes of this deduction is a family whose head, spouse, cohead, or sole

³⁵ The FY 2011 and FY 2013 Moving to Work Annual Plans created Activity 20: Term-Limited Lease Assistance and Activity 23: Streamlined Lease Assistance programs, respectively. Neither of these programs have allowable adjustments to annual income.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

member is sixty-two (62) years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6.3.2.3 Childcare Expenses Deduction [24 CFR 5.611(a)(~~d~~)(e), HUD PIH 2023-27(4), 5.603(b) and HCV GB, p.5-29]

Childcare expenses for children under thirteen (13) years of age may be deducted from annual income if they enable an adult to work, attend school full time, or actively seek employment. In the case of a child attending private school, only after-hours care can be counted as childcare expenses. Allowing deductions for childcare expenses is based on the following guidelines:

- Childcare to work: The maximum child-care expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.
- Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.
- Childcare to search for work: Childcare expenses cannot exceed the current amount of income received.
- Amount of Expense: The Housing Authority will determine reasonable costs for childcare expenses (See Chapter 7 for cost reasonableness determination).

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

If a family is receiving the childcare expense deduction but is no longer engaged in one of the above qualifying activities, the childcare deduction will be removed from the family’s adjusted income. However, the family may request a financial hardship exemption to continue the deduction for one (1) 90-day period.

To qualify for the hardship exemption:

1. The family must certify that there is still a need for childcare. For example, the adult member who previously benefited from the childcare expense deduction is caring for a sick family member or on medical leave; and
2. The family’s monthly income after deducting the childcare expense would be less than twice the tenant rent amount without the childcare deduction.

Example:

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Monthly income: \$1,200

Monthly childcare expense: \$600

Remaining income \$600

Tenant rent without childcare deduction: \$348

Two times the tenant rent: \$696

This family qualifies because two times the tenant rent is \$696 which exceeds the family's remaining income of \$600.

If a family qualifies for the hardship exemption, the childcare deduction will be effective for ninety (90) days. No further extensions will be provided. After 90 days, the childcare deduction will be removed unless the family has re-engaged in one of qualifying activities.

While receiving the hardship exemption, the family is required to report any change that would render the hardship inapplicable within ten (10) days.

6.3.2.4 Medical Expenses Deduction [24 CFR 5.611(a)(c), Notice PIH 2023-27(a)(3)(i) and VG, p.28]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed ~~three percent~~ a percentage of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least sixty-two (62) or is a person with disabilities.

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

If a family is eligible for a health and medical care expense deduction, the expenses of all family members are counted. HUD regulations define health and medical care expenses as "any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed."

Each expense will be reviewed to determine whether it is eligible in accordance with HUD's definition of health and medical care expenses. Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, the expenses exceed ten percent (10%) of annual income.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The Housing Authority will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnished legible receipts. Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses. Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Two (2) hardship exemption categories to mitigate the increase in the health and medical expense threshold from 3% to 10% have been established. The exemptions allow for more expenses to be deducted from the family's adjusted income for a limited time as follows:

1. Phased in relief: The change from the 3% to the 10% medical expense threshold may occur at interim reexamination or recertification. (Note: An interim reexamination will not be processed if it will result in an increase in adjusted income of less than 10% due to unearned income). To qualify for phased in relief, the family must have been receiving a deduction from annual income of qualified health and medical expenses under the 3% medical threshold prior to the effective date of the new 10% threshold. If eligible for phased-in relief, the threshold will be set as follows:
 - Year 1: The threshold will be 5% of annual income.
 - Year 2: The threshold will be 7.5% of annual income.
 - After 24 months, this hardship exemption expires, and the Housing Authority will deduct expenses exceeding 10% of the family's annual income.
2. General Financial Hardship: A family may request a general financial hardship exemption at any time during or after the phased in relief period. To qualify for a general financial hardship, the family must demonstrate that their applicable expenses increased, or the hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination and such circumstances occurred within 60 days of the request. Change of circumstance is defined as follows:
 - The family would be evicted because it is unable to pay the rent or tenant-provided utilities

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- A death has occurred in the family. 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).

The family is eligible for this hardship regardless of whether the family had previously received a medical deduction or is currently receiving or previously received a hardship exemption under the first category. However, once a family chooses to receive general financial hardship relief, the family will no longer qualify for the phased in relief. If eligible for the general financial hardship, the family will receive a deduction of eligible expenses exceeding 5% of their annual income for a 90-day period. No further extensions will be provided. After the end of the general hardship period, the medical expense threshold will increase to 10%.

While receiving the hardship exemption, the family is required to report any change that would render the hardship inapplicable within ten (10) days.

For pre-HOTMA actions effective prior to the enactment of the post- HOTMA provision above:

If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted. 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." The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses. Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent (3%) of annual income.

The Housing Authority will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnished legible receipts. Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses. Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

the Streamlined Fixed Lease Assistance Program on behalf of the family and the contract rent.

6.4.7 Calculation of Baseline for Streamlined Lease Assistance Programs

The family's baseline income is set at admission to the program and is based on the annual income calculation policies and income inclusions/exclusions in effect at the time that the baseline was set. The baseline income will only be reset if the family qualifies for a permanent hardship exemption, is transferred from one program to another, such as from SLA to TLA, or as an income correction due to the family's failure to report income at admission.

6.4.7.8 Hardship Exemption Criteria for Streamlined Lease Assistance Programs

HACSB recognizes that under some circumstances, families may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program. Hardship exemption criteria have been developed for all families that see a significant increase in their portion as a direct result of the SLA calculation at initial implementation of the activity or experience certain expenses or losses of income while participating in the program. In order for families to be eligible for a hardship exemption, they must make their request for a hardship exemption in writing and be in compliance with all program rules and regulations. The request for hardship exemption must come no later than 60 days after the most recent change in circumstances. Permanent hardship exemption requests must be received within 60 days or by next recertification whichever is later. Families also must provide all supporting documents regarding their case and all requests for hardship exemptions will be reviewed by the Hardship Review Committee. After the committee has evaluated the family's request, they will determine if the family qualifies for a temporary or permanent hardship exemption. The following sections describe the types of hardship exemptions that may be granted. All non-elderly/non-disabled households approved for a temporary hardship exemption will be required to participate in the Family Empowerment Services case management activities.

6.4.7.8.1 Permanent Hardship Exemptions

A permanent hardship exemption may be approved for the following reasons:

- the family experiences a death of a household member with income;
- any income-earning member of the assisted family no longer remains in the unit;
- an elderly or disabled household member experiences a permanent and complete loss of income;

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

subsidy standard HACSB will offer these families either the opportunity to move or the opportunity to have a temporary hardship exemption.

6.4.8-9 Calculation of Housing Authority Subsidy and Family Rent Share for Traditional, Regulatory Assistance for Special Purpose Programs

The family rent share for a household is determined by using the largest of the following: ten percent (10%) of Monthly Gross Annual Income, thirty percent (30%) of Monthly Annual Adjusted Income or the applicable minimum rent. For the VASH, ~~and~~ EHV and FSS programs, any amount of rent over the payment standard must be paid for by the family and cannot be subsidized by the Housing Authority. For Continuum of Care and Housing Opportunities for Persons with AIDs, the payment standard is not used to determine the Housing Assistance Payment (HAP) amount.

6.5 Minimum Rent [24 CFR 5.630 and 5.630]

6.5.1 Streamlined Lease Assistance and Family Self-Sufficiency Programs

The Minimum Rent for the Streamlined Lease Assistance program, including the Family Self-Sufficiency (FSS) Program is \$125.00.³⁸ A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family.

A temporary waiver of minimum rent may be granted as follows:

- Decrease in Income – The total household income has decreased due to a ‘No Fault’ loss of employment. Supporting documentation may include the notice of loss of employment, legal documentation indicating that family member with income has vacated the unit or other such documentation requested by HACSB.
- Death in the Immediate Family – The total household income has decreased due to the death of an immediate family member. Supporting documentation must include verification of the actual loss of income and verification of the relationship to the deceased family member. Immediate family members include current

³⁸ The FY 2009 Moving to Work Annual Plan included Activity 10: Minimum Rent which established a minimum rent of \$125 for all Housing Services programs except VASH, EHV, and Traditional, Regulatory Assistance for Special Purpose Programs.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

spouse, cohead, child, legal guardian, sibling, grandparent, grandchild, or mother-, father-, sister-, brother-, son-, or daughter-in-law, or registered domestic partner.

The waiver, if approved, shall be provided on a month-to-month basis not to exceed a total period of three months. A waiver will be provided only once for each incident that occurs in the household.

Upon approval of the waiver, the total tenant payment shall be calculated at 30% of monthly adjusted income and shall be effective on the first of the month following the month in which the family submitted the waiver request form with all supporting documentation.

A temporary waiver of the minimum rent will also be applied automatically to vulnerable individuals and families who are initially moving into a homeless serving program, such as Permanent Supportive Housing ~~or the Emergency Housing Voucher program~~ until the regularly scheduled recertification.³⁹ A family granted the automatic waiver under a homeless serving program will not be required to repay the minimum rent.

6.5.2 Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV) Programs

Traditional, Regulatory Assistance for Special Purpose Programs

The minimum rent is \$50 for the VASH and EHV programs. A temporary waiver of the minimum rent will be applied automatically to homeless individuals until the regularly scheduled recertification.⁴⁰ A family granted the automatic waiver under a homeless serving program will not be required to repay the minimum rent.

If a family is unable to pay the minimum rent because of financial hardship, the Housing Authority must grant an exemption from the minimum rent. 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 financial hardship exemption applies only to families required to pay the minimum rent. If a family's rent share is higher than the minimum rent, the family is not eligible for

³⁹ The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations.

⁴⁰ The FY 2022 Moving to Work Annual Plan modified Activity 10: Minimum Rent to allow HACSB to reduce or postpone the minimum rent for individuals in programs serving extremely vulnerable populations.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

a hardship exemption. If the Housing Authority determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated rent share.

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.
 - a. 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.
 - i. 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.
 - a. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner 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.
 - a. 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).

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

The Housing Authority then determines whether the financial hardship exists and whether the hardship is temporary or long-term. The Housing Authority defines temporary hardship as a hardship expected to last ninety (90) days or less. Long-term hardship is defined as a hardship expected to last more than ninety (90) days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated rent share. If the Housing Authority determines there is no financial hardship, the Housing Authority will reinstate the minimum rent and require the family to repay the amounts suspended within thirty (30) days.

If the Housing Authority determines that a qualifying financial hardship is temporary, the Housing Authority must suspend the minimum rent for the ninety (90) day period beginning the first of the month following the date of the family's request for a hardship exemption.

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

If the Housing Authority determines that the financial hardship is long-term, the Housing Authority 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. The hardship period ends when any of the following circumstances apply:

- At an interim or regularly scheduled recertification, the family's calculated rent share is greater than the minimum rent.
- 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.
- 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.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6.5.3 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.5.1 and 6.5.2).

The Continuum of Care and Housing Opportunities for Persons with AIDS programs do not have a minimum rent.

6.6 Utility Allowance and Utility Reimbursement Payments [24 CFR 982.154 and 982.517]

6.6.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The utility allowance has been built into the calculation for family rent share for the Term-Limited Lease Assistance and Streamlined Lease Assistance Programs. There is no additional utility allowance or any utility reimbursement payments⁴¹.

6.6.2 Traditional, Regulatory Assistance for Special Purpose Programs

The same utility allowance schedule is used to calculate the tenant rent for ~~both programs~~all Housing Services programs. The utility allowance is intended to cover the cost of utilities not included in the rent and is subtracted from the family rent share to establish the family's rent to the owner. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The Housing Authority's utility allowance schedule and the utility allowance for an individual family must include the utilities and services that are necessary in the locality to provide housing that complies with inspection standards. The Housing Authority may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

The Housing Authority must classify utilities in the utility allowance schedule according to the follow general categories: space heating, air conditioning, cooking, water heating water, sewer, trash collection, other electric, refrigerator (for tenant-supplied refrigerator

⁴¹ The FY 2011 and FY 2013 Moving to Work Annual Plans included Activity 20: Term-Limited Lease Assistance and Activity 23: Streamlined Lease Assistance programs, respectively. Both programs have the utility allowances already factored in to the calculation.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

only when not supplied by owner), range (cost of tenant-supplied range), and other specified services.

An allowance for tenant-paid air conditioning will be provided in those cases where the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners [24 CFR §982.517].

The Housing Authority will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will generally be applied at the participant family's first regularly scheduled recertification which occurs after the housing authority has revised the schedule.

The approved utility allowance schedule is provided to applicant and participant families at the time of the briefing. The utility allowance is based on the lower of the actual unit size or the approved bedroom size.

Where families provide their own range and refrigerator, the Housing Authority will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance.

Where the family rent to owner calculation results in a utility reimbursement payment due the family [24 CFR §982.514(b)], the Housing Authority will provide a utility reimbursement payment for the family each month. The check will be made out directly to the participant.

6.7 Proration of Assistance for “Mixed” Families [24 CFR 5.520]

6.7.1 Applicability

Proration of assistance must be offered to any “mixed” applicant or participant family. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

“Mixed” families that were participants on June 19, 1995 and that do not qualify for continued assistance must be offered prorated assistance. Mixed family applicants are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

CHAPTER 7: VERIFICATION POLICIES

7. Introduction [24 CFR Part 5 Subparts B, D, E & F, 982.158 & 5.617]

The Housing Authority verifies all initial and continued eligibility factors. This chapter outlines the Housing Authority's policies for verification which are designed to ensure only eligible applicants are admitted, participants remain eligible for continued assistance and that program integrity is maintained.

7.1 Release of Information and Verification Expiration Dates [24 CFR 982.516, 982.551, ~~and 5.230~~ and 5.232]

Applicants and program participants must provide true and complete information to the Housing Authority whenever information is requested. The Housing Authority will obtain proper authorization from the family before requesting information from independent sources.

Family refusal to supply any information and to sign consent forms for Release of Information is a violation of family obligations and will result in denial of admission or termination of assistance. Further, assistance will be terminated if any household member revokes consent.

7.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), ~~and Emergency Housing Voucher, and Family Self- Sufficiency Programs~~

All adult family members will be required to sign the ~~HAGSB-MTWHUD--9886-A~~ "Authorization for Release of Information/Privacy Act Notice" ~~that replaces HUD form-9886~~. In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For applicants, verifications may not be more than one-hundred and twenty (120) days old at the time of orientation.⁴² For participants, they are valid for one-hundred and eighty (180) days from date of receipt.⁴³

If the applicant/participant receives a fixed monthly benefit, such as Social Security, a statement dated within the appropriate benefit year is acceptable documentation [Notice PIH 2023-27].

7.1.2 Traditional, Regulatory Assistance for Special Purpose Programs [Notice PIH 2010-192023-27]

All adult family members will be required to sign the HUD-9886-A “Authorization for Release of Information/Privacy Act Notice.” In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Verifications/documents must be dated within one hundred and twenty (120) days of receipt. However, if the applicant/participant receives a fixed monthly benefit, such as Social Security, the verification may have an older date as long as the verification is for the current benefit year. For applicants, verifications must be received within 60 days prior to voucher issuance.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

For applicants, verifications may not be more than sixty (60) days old prior to voucher issuance. For participants, they cannot be more than sixty (60) days old prior to the Housing Authority request date. If the applicant/participant receives a fixed monthly benefit, such as Social Security, the verification may have an older date as long as the verification is for the current benefit year.

⁴² HACSB’s MTW Activity 5: Simplified Income Determination allows verifications to be not more than 120 days old at the time of the briefing.

⁴³ HACSB’s MTW Activity 5: Simplified Income Determination allows for the increase of the number of days verifications are valid.

7.2 Verification Policies for Initial Eligibility [Notices PIH 2010-19 and ~~2013-04~~2023-27]

7.2.1 General Verification Policies

Families selected from the waiting list will be required to complete a full application for admission along with any supporting documentation requested by the Housing Authority. Verification of factors to determine preferences and eligibility for admission to the program, except for criminal background requirements, will generally be limited to review of the documents requested by HACSB and provided by the applicant family. This is considered the highest form of third-party verification. However, if the applicant is unable to provide verification the Housing Authority will verify income sources through other verification methods such as third-party verification, oral verification or self-certification. The Housing Authority may also move to these other verification methods at its discretion. Per PIH Notice ~~2013-04~~2023-27, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of the form HUD-50058.

All applicants 18 years of age and older will be subject to third party screening and verification of factors impacting criminal history described in Chapter 2 of this Administrative Plan.

The Housing Authority will obtain an EIV report for all applicants within one-hundred and twenty (120) days of admission. If there is a discrepancy, the Housing Authority will work with the family to resolve the discrepancy in alignment with the policies described in this Administrative Plan.

Any new household members added will also be subject to initial eligibility verification requirements.

7.2.2 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

Applicants for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs⁴⁴ must provide verification on the following eligibility criteria:

- Preferences
- Assets and real property ownership⁴⁵
- Annual Income
- Citizenship or eligible immigration status
- Social security numbers
- Legal identity
- Documentation of age
- Disability status
- Family relationships
- Student status

7.2.3 Traditional, Regulatory Assistance for Special Purpose Programs

Applicants for Traditional, Regulatory Assistance must provide verification on the following:

- Preferences
- Assets and real property ownership
- Annual Income
- Citizenship or eligible immigration status
- Social security numbers
- Legal identity
- Documentation of age
- Disability status
- Family relationships
- Student status
- Allowances

⁴⁴ The FY 2013 Moving to Work Annual Plan included Activity 22: Streamlined Lease Assistance program which eliminated allowances and deductions. The FY 2011 Moving to Work Annual Plan included Activity 20: Term-Limited Lease Assistance program which also eliminated allowances and deductions.

⁴⁵ HACSB's MTW Activity 5: Simplified Income Determination eliminates assets for the purposes of calculating the family's rent portion. However, asset income is verified at initial eligibility and used to determine income eligibility. For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter, net family assets and real property ownership will be used to determine initial program eligibility.

- Deductions
- If applicable, eligibility for special program type

7.3 Verification Policies for Continued Assistance

The Housing Authority will require households to provide documentation for the factors described in this section at recertification and interim recertification as applicable.

7.3.1 General Verification Policies for Continued Assistance for MTW Programs

For families participating in the HACSB MTW program, Veterans Affairs Supportive Housing (VASH) ~~and~~ Emergency Housing Voucher, and Family Self-Sufficiency programs, HACSB will use the following verification hierarchy. this section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

For income sources that are available for verification in HUD's Enterprise Income Verification (EIV) system or other available Up-Front Income Verification (UIV) systems, HACSB will compare the documents provided by the household with the information in the EIV/UIV systems. Currently, income sources that are available in EIV include income from wages, unemployment benefits, Social Security, and Supplemental Security Income. Income sources that may be available through other UIV systems include Temporary Assistance to Needy Families and income from wages through the Work Number.

~~If there is a discrepancy of \$200 or more per month between the documents provided by the household and~~If the family disputes the information from the EIV/UIV system, HACSB will ~~require third-party written verification of the income~~ use tenant-provided documents. If the Housing Authority is unable to obtain ~~third-party written verification~~tenant-provided documents, it will then attempt to receive third-party written or oral verification. If those attempts are unsuccessful, HACSB will rely on ~~the documents provided by the~~self-certification provided by the household to calculate income. ~~If there is a discrepancy of less than \$200 per month between the documents provided by the household and the EIV/UIV system, HACSB will calculate income based on the most recent verification of the source and the associated amount of income from that sour~~

If data that is generally available in the UIV/EIV systems is not available due to recent employment or other unknown reasons, HACSB will rely on documents provided by the assisted family.

For all income sources that are not generally available in EIV/UIV, HACSB will rely on documents provided by the household. However, the Housing Authority reserves the right

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

to conduct written or oral third-party verification on all income sources. Families must provide documentation to support all sources of income except for fully excluded income sources. If a household does not provide supporting documentation, it is a violation of family obligations, and the participant may lose their housing assistance. If the Housing Authority, at its discretion chooses to further verify an income source, it will attempt to first obtain third-party written verification. If that attempt to receive verification is unsuccessful, HACSB will request third-party oral verification. If those attempts are unsuccessful, HACSB will rely on the documents provided by the household to calculate income or family self-certification where applicable.⁴⁶

Per PIH Notice ~~2013-04~~2023-27, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third-party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of on the form HUD-50058. Additionally, HACSB will accept self-certification of present ownership of real property from applicants. If the family discloses real property ownership, further documentation will be requested. In the case of the ownership exception under VAWA, the Housing Authority must follow the documentation restrictions set forth in the VAWA section.

In addition to the income verification policies described above, each family member aged 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

7.3.2 General Verification Policies for Continued Assistance for Traditional, Regulatory Assistance for Special Purpose Programs

For families participating in traditional, regulatory assistance for special purpose programs, the Housing Authority will use the current HUD verification hierarchy.

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher programs (see 7.3.1).

Level	Verification Method/Technique	Applies To
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⁴⁶ HACSB's MTW Activity 5: Simplified Income Determination created a modified verification hierarchy for HACSB's MTW programs.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

6	HUD Enterprise Income Verification (EIV) System	All sources of income verifiable through EIV, including wages, unemployment benefits, Social Security, and Supplemental Security Income ⁴⁷
5	Other Upfront Income Verification (UIV) System	All sources of income not verifiable through the EIV system
4	Written Third-Party Verification: a An original or authentic document generated by a third-party source dated either within the 60 <u>120</u> -days period preceding the reexamination or request date of receipt or for fixed benefit programs, dated for the current benefit year OR <u>EIV with self-certification</u>	All sources of income not verifiable through the EIV/UIV systems; tenant disputed EIV information
3	Written Third-Party Verification Form: A standardized form is provided to a third-party source by mail, fax, or email. The form is completed by the third party.	All sources of income not verifiable through a higher level of verification, when higher levels of verification are rejected by HACSB (<u>HACSB may skip level 3 verification and go directly to level 2</u>)
2	Oral Third-Party Verification	All sources of income not verifiable through a higher level of verification
1	Tenant Declaration <u>Self-Certification</u>	All sources of income not verifiable through a higher level of verification

Per PIH Notice ~~2013-04~~2023-27, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related

⁴⁷ Effective for post-HOTMA actions 10/1/2024 or as soon as practicable thereafter, the Housing Authority will not utilize EIV for interim reexaminations.

income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third-party verification was not available as required by 24 CFR 960.259(c)(i~~a~~) and 24 CFR 982.516(a)(2); and (3) Report the income in Section 7 of the form HUD-50058.

In addition to the income verification policies described above, each family member aged 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

7.3.3 Term-Limited Lease Assistance and Streamlined Lease Assistance

The Housing Authority will verify the following factors at recertification⁴⁸:

- Annual Income
- Student status

7.3.4 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority will verify the following at recertification:

- Assets⁴⁹
- Annual Income
- Student status
- Allowances
- Deductions

7.4 General Verification Procedures

This section outlines how the Housing Authority will verify each of the above-described criteria. All verification factors are described in this section, but the Housing Authority will only verify factors that are required for each program type.

7.4.1 Verification of Legal Identity

The Housing Authority requires each household member to provide one of the following forms of verification of legal identity:

Verification of Legal Identity

⁴⁸ HACSB's MTW Activity 20: Term-Limited Lease Assistance and Activity 22: Streamlined Lease Assistance eliminated deductions and allowances from the income and rent calculation.

⁴⁹ For Emergency Housing Voucher and Veteran Affairs Supportive Housing programs, assets are excluded from the rent calculation and will not be verified at recertification.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

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.

7.4.7.1 Emergency Housing Voucher Program

During the initial eligibility determination for the Emergency Housing Voucher program, the Housing Authority will accept self-certification of eligible immigration status if documentation is unavailable. However, documentation of eligible immigration status must be received within 180 days of admission. Further extensions may be provided if the partnering organization confirms that good faith efforts have been made to obtain the necessary documentation. For household additions after admission, section 7.4.7 applies.

7.4.8 Verification of Preference Status

The Housing Authority prefers that Veteran's status is verified by the DD214. However, the Housing Authority may accept a military ID or verification from the VA.

7.4.9 Verification of Real Property Ownership

The Housing Authority will accept self-certification of present ownership of real property from applicants. If the family discloses real property ownership, further documentation may be requested. In the case of the ownership exception under VAWA, the Housing Authority must follow the documentation restrictions set forth in the VAWA section.

7.5 Additional Income Verification Procedures

Chapter 6 of this Administrative Plan describes in detail the types of income that are included and excluded from the annual income calculation. Any income reported by the family must be verified. This part provides ~~Housing Authority~~ additional detail on how the Housing Authority will verify income sources.

7.5.1 Annual Income Verification at Recertification

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

7.5.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veteran Affairs Supportive Housing Voucher (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs

The Housing Authority will generally collect current income information to calculate anticipated income.⁵⁰ However, in some cases, verification of past income, such as annual statements or tax returns, may be requested.

7.5.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority will collect both past income, such as annual statement or tax returns, and current income information as indicated below to determine the annual income of the household.

7.5.1.2 Employment Income

Families with earned income generally will be required to provide two consecutive months of pay stubs. The Housing Authority may require additional months of pay stubs for sporadic or seasonal employment income. 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.

7.5.32 Business and Self-Employment Income

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 Housing Authority 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 recertifications. At any recertification the Housing

⁵⁰ HACSB's MTW Plan, Activity 5, Simplified Income Determination specifies that HACSB will use a family's anticipated income to determine the tenant rent.

Authority may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

7.5.43 Periodic Payments and Payments in Lieu of Earnings

The Housing Authority will review verification of periodic payments and payments in lieu of earnings. The Housing Authority may request documentation dating back to the start of the periodic payment or the payment in lieu of earnings.

To verify the SS/SSI benefits of applicants, the Housing Authority will request a ~~current~~ SSA benefit verification letter ~~dated within the current benefit year~~ from each family member that receives social security benefits. To verify the SS/SSI benefits of participants, the Housing Authority will obtain information about social security/SSI benefits through the HUD EIV System and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the Housing Authority will request a current SSA benefit verification letter from each family member that receives social security benefits.

If the family is unable to provide the document(s), the Housing Authority will inform the applicant or participant how to 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 applicant or participant has received the benefit verification letter, they will be required to provide it to the Housing Authority.

~~7.5.3.1 Traditional, Regulatory Assistance for Special Purpose Programs~~

~~The Housing Authority will conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income by applying any published cost of living adjustment to the previously verified income amount per PIH Notice 2013-26.~~

7.5.54 Alimony or Child Support

The way the Housing Authority will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments. If the family declares that it receives regular payments, verification will be sought in the following order:-

1. ~~Current Copy of the~~ receipts and/or payment stubs ~~for the sixty (60) days prior to the request~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

2. Third-party verification form from the state or local child support enforcement agency
3. Third-party verification form from the person paying the support
4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
- If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

7.5.56 Assets and Income from Assets [24 CFR 5.603, 24 CFR 5.618, HCV GB, p. 5-28 Notice PIH 2023-27]

7.5.65.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), ~~and~~ Emergency Housing Voucher, and Family Self-Sufficiency Programs⁵¹

This section applies to the Veterans Affairs Supportive Housing (VASH) program effective January 1, 2019, or as soon as practicable thereafter.

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

For the purposes of initial eligibility, the Housing Authority will verify the amounts from assets to which any member of the family has access. Assets and asset income generally will be verified by two consecutive months' statements. ~~These~~ The family's assets and asset income will be used to determine if the family exceeds the asset limit (adjusted annually by HUD) or the income limit threshold but will not be included for purposes of calculating total annual income or family rent share. ~~Asset income generally will be verified by two consecutive months' statements.~~ Following program admission, the Housing Authority will not verify assets.

⁵¹ HACSB's MTW Activity 5: Simplified Income Determination eliminates assets for the purposes of calculating the family's rent portion. However, asset income is verified at initial eligibility and used to determine income eligibility.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

For the purposes of initial eligibility, the Housing Authority will verify the amounts from assets to which any member of the family has access. These assets and asset income will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share. Asset income generally will be verified by two consecutive months' statements.

7.5.~~56~~.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), ~~and~~ Emergency Housing Voucher, and Family Self-Sufficiency programs (see 7.5.~~56~~.1).

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

To determine initial eligibility, the cash value of the family's total net assets cannot exceed the current asset limit. The limit is adjusted annually by HUD.

Asset income is included in the annual income calculation for initial eligibility and at recertification, and asset income is used to determine family rent share. Assets and asset income are generally verified by two consecutive months' statements.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

Assets are included in the annual income calculation for initial eligibility and recertifications and are used to determine family rent share. Net asset income in excess of \$5000 generally will be verified by two consecutive months' statements. Per Notice PIH 2013-26 the Housing Authority will accept a family's self-certification for assets of less than \$5,000.

7.5.~~56~~.3 Assets Disposed of for Less than Fair Market Value

The Housing Authority is also required to verify assets disposed of for less than fair market value. The Housing Authority will require the family to certify whether any assets have been disposed of for less than fair market value in the preceding two (2) years. The Housing Authority needs to verify only those certifications that warrant documentation and as a result will verify the value of assets disposed of only if:

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- The Housing Authority 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.

7.5.~~7~~6 Net Income from Rental Property

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Applicants may not own real property suitable for occupancy by the family. In cases, where the family owns rental property but continues to be eligible for assistance, the net income from the rental property will be verified and included in annual income.

For actions effective pre- and post-HOTMA, Families with income from rental property 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 Housing Authority 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.

7.5.~~8~~7 Student Financial Assistance [24 CFR 5.609 and FR 4/10/06]

~~Any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of twenty-three (23) with dependent children or is residing with parents who are seeking or receiving Housing Services program assistance.~~

~~For students over the age of twenty-three (23) with dependent children or students residing with parents who are seeking or receiving Housing Services program assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Chapter 6 details the amount of student financial assistance that is included or excluded from annual income.~~ Excluded

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

amounts are verified only if, without verification, the Housing Authority would not be able to determine whether or to what extent the income is to be excluded.

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the Housing Authority will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student. In addition, the Housing Authority will request written verification of the student's tuition and any other required fees and charges.

If the Housing Authority is unable to obtain third-party written verification of the requested information, the Housing Authority will pursue other forms of verification following the verification hierarchy described in this Chapter.

7.5.98 Parental Income of Students Subject to Eligibility Restrictions [24 CFR 5.612 and FR 4/10/06, p. 18146]

If a student enrolled at an institution of higher education is under the age of twenty-four (24), is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving Housing Services program assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents. This provision does not apply to students residing with parents who are seeking or receiving Housing Services program assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If the Housing Authority is required to determine the income eligibility of a student's parents, the Housing Authority will request an income declaration and certification of income from the appropriate parent(s). The Housing Authority will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the Housing Authority.

The Housing Authority reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

8.3 Information Provided at Briefing Session

The Housing Authority's objectives are to ensure that families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements.

The purpose of the briefing session is to provide information on the Housing Authority's process for families who intend to lease a unit. This will enable families to utilize the program to their advantage and prepare them to discuss the program benefits and rules with potential owners and property managers.

8.3.1 Topics Covered in Briefing Session

The person conducting the briefing will describe how the Housing Services Program works including information on the following subjects:

- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the Housing Authority's jurisdiction;
- For families eligible under portability, an explanation of portability. The Housing Authority cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- When Housing Authority-owned units are available for lease, the Housing Authority will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease and is not obligated to choose a Housing Authority-owned unit.

If the family includes a person with disabilities, the Housing Authority will ensure compliance with 24 CFR 8.6 to ensure effective communication such as by providing appropriate auxiliary aids where necessary to afford an individual with disabilities an equal opportunity to participate in, and enjoy the benefits of, a program or activity.

8.3.2 Briefing Packet Contents [24 CFR 982.301(b), HCV GB p. 8-7 and Notice PIH 2010-19]

The Housing Authority provides families with a briefing packet that contains more detailed information about the program. The packet includes forms and information required by HUD, as well as additional resources. The person conducting the briefing session will explain the following documents provided in the briefing packet.

The briefing packet will contain information on the following:

- The terms of the Voucher or Family Obligations Agreement
- Requesting a Reasonable Accommodation
- Program Moves
- The Housing Services Program Overview
- Responsibilities as a Program Participant
- Owner Responsibilities
- Using Your Assistance
- How to Rent a Unit
- Where You May Not Lease a Unit
- What We Can Tell an Owner About You
- Portability
- Area Housing Authorities
- The Advantages of Relocation
- Calculating Your Assistance
- Hardship Requests for an Exception to the Minimum Rent, if applicable
- Fair Housing and Equal Opportunity
- Language Assistance
- What to do If You Are a Victim of Discrimination
- Violence Against Women Act
- Losing Your Assistance
- Informal Hearings
- Record of Contacts Made to Rent a Unit
- Request for Tenancy Approval
- Tenancy Addendum
- Property Owner/Landlord Application/Authorization
- Request for Taxpayer ID for Owner/Landlord
- Payment Standards
- Portability Processing Timeline
- Assistance Processing Timeline
- Protect Your Family From Lead in Your Home Pamphlet
- A Good Place to Live Pamphlet
- Housing Quality Standards Guidelines
- Addresses of Housing Services Program Offices

- Map of Low-Poverty and Low-Minority Concentration Areas
- ~~Sample HAP or LAP Contract~~
- ~~Crime-Free Addendum~~
- Fraud ~~Pamphlet~~Information
- Acknowledgement of Receipt of Documents
- Additional Program Specific Documentation

8.4 Encouraging Participation in Areas Without Low Income or Minority Concentration [24 CFR 982.301(a)(3)]

At the briefing, families are encouraged to search for housing in non-impacted areas. After the briefing, the Housing Authority will assist families who want to search for housing in non-impacted areas who wish to do so. The assistance provided to such families includes:

- Counseling with the family.
- Direct contact with owners.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with owner groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.

Owners in all neighborhoods within the Housing Authority's jurisdiction are encouraged to post their property listings in various ways (internet listings, newspapers, rental pamphlets, etc.) to ensure greater mobility and housing choice to very low-income households. The Housing Authority will provide information about housing listings. If the family includes a person with disabilities, the family may request a current listing of accessible units known to be available.

8.5 Security Deposit Requirements [24 CFR 982.313]

Security deposits charged by owners may not exceed those charged to unassisted families (or the maximum prescribed by State or local law).

8.6 Family Obligations Agreement or Voucher Conditions [24 CFR 982.301(b)(1)]

During the briefing session, each family is issued a Family Obligations Agreement or Voucher, which represents a contractual agreement between the Housing Authority and

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

In the event the Housing Authority does not have sufficient budget authority to support issued Family Obligations Agreements and/or Vouchers, the Housing Authority may recall the family. If the family is recalled, the Housing Authority will return the family to the waiting list to await new eligibility when funds become available.

The Family Obligations Agreement and Voucher are valid for a period of sixty (60) calendar days from the date of issuance plus any automatic extension. The family must submit a Request For Tenancy Approval (RFTA) within the initial term or approved extension. When a Request for Tenancy Approval is received, the term of the voucher will be suspended while the Housing Authority processes the request.

8.6.1 Family Obligations Agreement Term Under Term-Limited Program Moves

If a participant under a term-limited program requests a voucher to move, the voucher may be issued for a shorter period if the family's participation is scheduled to end soon. The voucher and any extensions will expire one month prior to termination of assistance. For example, if a term-limited family's assistance is ending October 31, 2024, and the family is issued a voucher to move on August 12, 2024. The voucher will expire September 30, 2024. Regardless of the term of the voucher, the Housing Authority may not enter into a HAP contract after a 30-day termination notice has been issued.

8.6.2 Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

The initial search term for a HUD-VASH and an EHV will be 120 days. Any extensions beyond the initial term must meet the requirements of Section 8.6.2.

8.6.23 Extensions [24 CFR 982.303(b)]

The Housing Authority may grant extensions to Family Obligations Agreements and Vouchers. An extension may be granted automatically when the Family Obligations Agreement or Voucher is issued or a family may request an extension. All requests for extensions must be received, in writing, prior to the expiration date.

Extensions may be granted in thirty (30), or sixty (60) day increments, up to a maximum search term of one-hundred and twenty (120) calendar days (initial sixty (60) days plus a maximum sixty (60) day extension). If the Housing Authority has program funding/vouchers available and the leasing success rate is under 50% as measured over the most recent six-month period, an additional sixty-day extension may be provided if necessary for the family to locate a suitable unit. The Housing Authority may also make an exception of up to one-hundred and eighty (180) days for extenuating circumstances, such as a long-term illness or other family emergency, or up to a maximum term of two-

hundred and seventy (270) calendar days for hospitalization or as a reasonable accommodation. Such matters will be considered on an individual basis and must be supported by verifiable third-party documentation.

8.6.34 Expirations [24 CFR 982.303(a)]

If the Family Obligations Agreement or Voucher search term has expired and has not been suspended or extended by the Housing Authority or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted and remains eligible for participation, they may remain as a participant in their unit if there is an assisted lease/contract in effect and the unit remains eligible.

8.7 Determination for Split Participant Households [24 CFR §982.315]

When a family assisted under the Housing Services program becomes divided into two (2) otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Housing Authority will review which family unit retains the assistance in the following priority order:

1. The domestic violence victim if separation is due to actual or threatened incidents of domestic violence, dating violence, sexual assault, or stalking.
2. Which family members remain in the unit (only if no domestic violence).
3. Which of the two new family units has custody of the youngest child.
4. Which family member was the head of household when the Family Obligations Agreement or Voucher was initially issued (listed on the initial application).

Documentation of these factors will be the responsibility of the requesting parties. If neither family unit meets any of the above criteria, assistance will be terminated. In the case of a HUD-VASH family break-up, the assistance must stay with the HUD-VASH veteran. However, if it is a case of domestic violence and the veteran is the perpetrator, the victim will continue to be assisted and the veteran will be terminated.

8.8 Residual Assistance for Remaining Members

The head of household may designate a new head of household or relinquish the assistance to remaining household members with HACSB approval, except when the family has been determined to be over-income. In the event the head of household no longer resides in the assisted unit, the remaining adult household member must have been previously approved by the Housing Authority to be living in the unit and to receive continued housing assistance. If the remaining eligible adult household member is

disabled or fifty-seven (57) years or older, the family member will be eligible to receive a Voucher until November 1, 2014. After November 1, 2014, the remaining eligible family member who is disabled or fifty-seven (57) years or older will be eligible to receive a Family Obligations Agreement to participate in the Streamlined Fixed Lease Assistance Program. If the remaining family member is not disabled or fifty-seven (57) years of age or older, the remaining adult household member will be processed for eligibility and participation in the Housing Authority's Term-Limited Lease Assistance program and sign a Family Obligations Agreement. The time limit would begin following the processing of the family composition change.

A live-in aide, by definition, is not a member of the family and will not be considered a remaining member of the family. Foster Children and Foster Adults are not considered a remaining family member.

In order for a minor child to continue to receive assistance as a remaining family member:

- The child must remain under assistance in the assisted unit; and
- The court ~~has to~~must have awarded emancipated minor status to the minor; or
- The Housing Authority ~~has to~~must have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period.

During a change of head of household, the household must remain under assistance. If the household moves out of the assisted unit before a change of head of household is approved, assistance is terminated.

8.9 Family Voluntarily Relinquishes Housing Services Program Assistance

The family may voluntarily relinquish their assistance at any time. In such cases, the Housing Authority will provide the owner of the property with a thirty (30) calendar day notice indicating that rental assistance will terminate based on the family's request. The family will become fully responsible for the contract rent after thirty (30) calendar days.

Generally, the Housing Authority will not reinstate a family once a request for voluntary termination has been received. However, as a reasonable accommodation, the Housing Authority will review requests for reinstatements received within six (6) months and make a determination on a case-by-case basis. However, households will have their income eligibility re-determined in accordance with HUD guidelines.

9.3 Eligible Types of Housing [24 CFR 982.352]

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the Housing Services Program. Generally, a family may choose any available rental dwelling unit on the market in the Housing Authority's jurisdiction. This includes the dwelling unit they are currently occupying. The Housing Authority may approve any of the following types of housing:

- Single-family dwellings, including condos and townhouses;
- Manufactured homes and space for rent (the Housing Authority may also provide assistance for a family that owns the manufactured home and leases only the space). The rent calculation for space rent is included in Chapter 11.5;
- Multifamily dwellings (apartment buildings);
- Accessory Dwelling Units (ADUs) with finalized permits;
- Shared housing (a single housing unit occupied by an assisted family and another resident or residents); and
- Housing Authority owned units which are not subsidized by the Housing Authority (subject to HUD-prescribed requirements).

If a family owns a rental unit, the family cannot reside in it while being assisted. The Housing Authority may not permit a family to lease a unit which is receiving project-based assistance or any duplicative rental subsidies.

9.4 Ineligible Types of Housing [24 CFR 982.352(a)]

The Housing Authority will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, except for a:
 - manufactured home that is owned by the family but leases only the space. Under this circumstance, the Housing Authority will approve the unit;
 - home owned by the family that is assisted under the Homeownership Program; or
 - shared housing arrangement as long as the owner is not a member of the participant's household or related by blood or marriage to the participant;
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- College or other school dormitories;

- Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions⁵⁴;
- Structures, such as hotels/motels or garages, that have been converted to residential housing without finalized permits for all conversion work;
- Converted garages or other structures not intended to be living areas; or
- Any other types of housing prohibited by HUD.

With the exception of VASH program participants or participants with an approved reasonable accommodation, HACSB will not approve the following special housing types: single room occupancy (SRO), congregate housing, group home, and cooperative housing.

9.5 Restrictions on Renting to a Relative [24 CFR 982.306]

Assisted families will not be allowed to rent a unit from an owner (including a principal or other interest party) who is a spouse, parent, child, grandparent, grandchild, sister or brother, aunt, uncle, niece or nephew and/or cousin, of any member of the family or step-family, including in-law relationships, unless the Housing Authority has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. A determination of whether the owner is a relative to the assisted family will be at the sole discretion of the Housing Authority.⁵⁵

The Housing Authority will review all such requests on a case-by-case basis. The family will be required to provide documentation of disability and how the particular unit, owned by the relative, could benefit the disabled person. Owners must provide the current physical address of their residence (not post office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit address. Owners must provide a Taxpayer Identification Number or Social Security number and may also be required to provide a copy of their driver's license or other photo identification. In addition, the Housing Authority may request a copy of the owner's current utility bills and bank statements. Failure to provide adequate documentation,

⁵⁴ HUD regulations allow HUD-VASH families to live on the grounds of a VA facility in units developed to house homeless families.

⁵⁵ Under the Moving to Work Demonstration the Housing Authority has replaced HUD's Housing Assistance Payments (HAP) Contract with the HACSB HAP Contract and Lease Assistance Payment (LAP) Contract. These contracts also specify the Housing Authority's definition of relatives.

- Public or Indian housing assistance;
- Other HCV assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

9.20 Changes in Lease or Rent [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the Housing Authority a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, Housing Authority approval of tenancy and execution of a new contract are not required for changes in the lease. However, under certain circumstances, Housing Services Program assistance in the unit shall not be continued unless the Housing Authority has approved a new tenancy in accordance with program requirements and has executed a new contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and
- The family moves to a new unit, even if the unit is in the same building or complex.

The Housing Authority will not approve changes to the appliance responsibility from the owner to the tenant if the appliance has outstanding inspection deficiencies. Such a

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

change will be approved only after the deficiencies are corrected and verified by the Housing Authority.

Where the owner is changing the amount of rent, the owner must notify the Housing Authority of any changes in the amount of the rent to owner at least sixty (60) days before any such changes go into effect or greater notice if required by law. The Housing Authority will agree to such an increase only if the amount of the rent to owner complies with state and local rent control laws and program requirements and is considered reasonable in accordance with Chapter 11 of the Administrative Plan. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease. No rent increase is permitted during the initial term of the lease as detailed in the lease and contract.

Where the owner is requesting a rent increase, the Housing Authority will determine whether the requested increase is reasonable. The owner will be notified of the determination in writing. Rent increases will go into effect on the first of the month following the sixty (60) day period after the owner notifies the Housing Authority of the rent change, greater notice period required by law, or on the date specified by the owner, whichever is later.

CHAPTER 10: INSPECTIONS STANDARDS

10. Introduction

Every unit assisted under the Housing Services program must meet the Housing Authority's inspection standards prior to initial occupancy of the unit and throughout the term of the contract between the owner and the Housing Authority. HACSB requires all units to meet Housing Quality Standards (HQS), which are the HUD minimum quality standards for units that receive assistance under the Housing Services program. In addition, the Housing Authority also requires all units to meet additional criteria in alignment with HUD requirements, California law, local codes and other Housing Authority policies. The Housing Authority inspection standards apply to units both in the tenant-based and project-based programs. [Modifications or adaptations to a unit due to meet disability related needs must meet applicable HQS and building codes.](#)

This Chapter describes the inspection types and responsibilities of the owner and family and the consequences of non-compliance with the Housing Authority's inspection standards for both families and owners participating in the tenant-based program. Inspection types and responsibilities for the project-based program are described in Chapter 20.

10.1 Types of Inspections [24 CFR 982.405]

There are six types of inspections the Housing Authority will perform:

1. Pre-inspection (VASH and EHV program): For the VASH and EHV Program, the Housing Authority may pre-inspect available units that VASH or EHV families may be interested in leasing in order to maintain a pool of eligible units.
2. Initial/Move-in: The Housing Authority conducts initial inspections upon receipt of a Request for Tenancy Approval (RFTA). The unit must pass the inspection before the effective date of the Contract.
3. Annual: Families who participate in any of the Housing Authority's Traditional, Regulatory Assistance (excluding homeownership families) for Special Purpose programs, except as noted below, will have an annual inspection conducted on their unit.

10.1.4 Reinspection

If a unit fails annual or biennial inspection, the Housing Authority will schedule a reinspection of the unit and notify the family and owner of the reinspection date and time by mail. In some cases, the Housing Authority will accept a self-certification of repairs along with documentation and photographs in lieu of conducting a reinspection. Self-certifications will not be accepted for emergency items. If the family is not at home for the reinspection appointment, a card will be left at the unit and another appointment may be scheduled upon approval by a supervisor. The appointment letter contains a warning of abatement (in the case of owner responsibility), and a notice of the owner's responsibility to notify the family.

The family is also notified that it is a family obligation to allow the Housing Authority to inspect the unit. The family will be advised that tenant-caused deficiencies may result in termination of assistance in accordance with Chapter 16.

10.1.5 Special/Complaint Inspections [HCV GB, p 10-30]

If at any time the family or owner notifies the Housing Authority that the unit does not meet inspection standards, the Housing Authority will conduct an inspection.

The Housing Authority may also conduct a special inspection based on information from third-parties such as neighbors or public officials.

In such case, the Housing Authority will conduct a full unit inspection and the responsible party will be required to make the necessary corrections. A passed special inspection does not qualify the unit for a change to the annual/biennial inspection due date.

10.1.6 Quality Control Inspections [24 CFR 982.405(b); HCV GB, p. 10-32]

Quality Control inspections will be performed based on a random sampling of units throughout the year to ensure that units maintain compliance with inspection standards, to ensure that each Inspector is conducting accurate and complete inspections, and to ensure there is consistency among Inspectors in application of the inspection standards. The Housing Authority may also conduct quality control inspections to ensure that families who were approved for an additional bedroom under a reasonable accommodation are using the additional bedroom as intended.

~~As part of ensuring quality housing under the biennial inspections process, for all program units undergoing biennial inspections, the Housing Authority will conduct quality assurance inspections on a random sample of units. The Housing Authority will inspect no less than 3% of the units in the 'off year' to ensure compliance.~~

At any time during the abatement, the family may give notice to terminate the lease and request a voucher to move. However, if repairs are not completed within the first sixty (60) days of the abatement, a final contract termination notice will be sent. At that time, the family will be required to attend a move briefing if the family has not already done so.

The owner may still make repairs on the unit during the abatement period. However, the owner must notify the Housing Authority that repairs have been completed and that the unit is ready for inspection. After receiving notification of completed repairs, the Housing Authority will conduct a reinspection within fourteen (14) days. The family and owner will be notified of the reinspection date in writing. Payment will resume on a unit the day it passes inspection.

No retroactive payments will be made to the owner for the period of time the housing assistance was abated and the unit did not comply with inspection standards.

If repairs are completed before the effective termination date, the termination may be rescinded by the Housing Authority if the participant chooses to remain in the unit. Only one (1) reinspection will be conducted after the termination notice is issued.

10.3 Determination of Responsibility [24 CFR 982.404]

Certain inspection standard deficiencies are considered the responsibility of the family:

- A. Tenant-paid utilities not in service
- B. Failure to provide or maintain family-supplied appliances
- C. Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

~~Under California law, the owner must make repairs to the unit, regardless of whether the damage was tenant caused. If an inspection deficiency is tenant caused, the owner may make the repair and may charge the tenant for the cost of the repair or require the tenant to repair the deficiency, but cannot opt not to make repairs when it is determined it was tenant caused. If the owner is requiring the tenant to make repairs, the owner must inform the tenant and the Housing Authority of the repairs that are the tenant's responsibility upon receiving the results of the first inspection. The only exception is when utilities are not on or tenant supplied appliances are inoperable or missing, and the tenant is responsible, per the lease and contract, to pay for the utilities and/or provide appliances.~~ The owner is responsible for all other inspection standard violations.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The Housing Authority may terminate the family's assistance on that basis.

If a non-emergency violation of inspection standards is determined to be the responsibility of the family, the Housing Authority will require the family make any repair(s) or corrections within thirty (30) days. If the repair(s) or correction(s) are not made in this time period, the Housing Authority will terminate assistance to the family. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the contract will terminate when assistance is terminated.

10.4 Additional Local Requirements [24 CFR 982.40~~61~~(a)(4)]

The Housing Authority adheres to all HUD required [inspection](#) standards under Housing Quality Standards (HQS). The Housing Authority has also adopted additional quality standards in alignment with HUD regulations, California law, local codes and Housing Authority policy. These policies are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. These additions are clarifications of HUD's acceptability criteria or performance standards.

All Housing Authority inspection standards can be reviewed through the Housing Authority website at: www.hacsb.com. Specifically, HACSB has clarified the following criteria for all units in the Housing Services program:

1. Thermal Environment [HCV GB p.10-7]

- Primary heat source must be capable of generally maintaining an even temperature of sixty-five (65) degrees in all rooms in the unit living and sleeping area.

A working air conditioning or cooling system capable of cooling one central area of the unit is required where any monthly average temperature exceeds ~~ninety-five~~ (95) degrees (Based on NOAA data). See www.hacsb.com for more information.

2. Water Heaters

- Water heater tanks must have two (2) earthquake straps securing the unit to the wall; in place, one (1) oin the top third of the tank and one (1) oin the bottom-lower third of the tank.

- Water heaters must have a discharge line as a safeguard against buildup of steam in case the water heater malfunctions.
- 3. Exterior and Interior Surfaces
 - Any exterior or interior surfaces with peeling or chipping paint must be scraped and painted with two (2) coats of unleaded paint or other suitable material.
 - Visible mold/mildew must be eliminated. Rotted wood trim, roof or flooring must be replaced.
- 4. Windows
 - All window sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.
 - Window screens must be in good condition. (Applies only if screens are present or are required per HQS.)
 - Window must provide a weather tight seal against any air or water infiltration and have a permanent working window lock.
- 5. Doors
 - Exterior entries to unit must have doors that are secure, lockable and designed and equipped for exterior use. They must be solid and not with a hollow core.
 - All interior doors must have no holes, have all trim intact, and be openable without the use of a key. The striker plate must be securely in place.
 - Door knobs must be in proper working order.
 - No double keyed deadbolts are allowed in the interior of a unit.
 - Bedroom/bathroom doors ~~must~~may have acceptable locks.
- 6. Bedrooms
 - The minimum acceptable bedroom size will be seventy (70) square feet or seven (7) feet by ten (10) feet.
 - Rooms identified as bedrooms must have a permanent closet, a window and a door for privacy.
- 7. Floors
 - All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced.
 - All floors must be in a finished state (no plywood or other surface not designed to be exposed).
- 8. Sinks & Toilets

- All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.
- All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

9. Exterior

- The Housing Authority may enforce local codes, ordinances and/or recognizable community standards in requiring that appropriate landscaping be installed and maintained in all areas visible from the street and including common areas under the landlord's control. Large holes and exposed brackets on the ground must be remedied.
- Graffiti must be removed or painted over anywhere on property.
- Fencing must be secure and free from loose or broken/hazardous materials.

10. Security

- If window security bars or security screens are present on bedroom window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

11. Fire Safety

The garage-to-house connecting door must self-close, latch properly when it closes, and be sealed to prevent airflow around all four edges.

- Excessive accumulation of material or belongings in unit must not hinder movement through the unit in an emergency.
- A common wall between a garage and the interior area of the unit must provide a firebreak by having the garage side of the wall finished with five-eighths inch (5/8") drywall. All joints, corners, holes or cracks must be properly sealed with joint tape and taping compound.

12. Health and Sanitation

- Excessive accumulation of material or belongings in the unit must be cleared out to avoid or eliminate unsanitary conditions.

13. Motor Vehicles

- Vehicles that are inoperable or that present a physical hazard must be removed from the premises or stored in a garage or other storage building.

14. General Health and Safety

- The Housing Authority may fail a unit for any health or safety hazard not specifically mentioned in Housing Quality Standards.

~~15. Modifications~~

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- ~~○ Modifications or adaptations to a unit due to a disability must meet all applicable HQS and building codes.~~

~~16-15.~~ Carbon Monoxide Detectors

- At the time of the HQS inspection, any unit having a fossil fuel burning heater or appliance, fireplace, or an attached garage must have a carbon monoxide detection device installed. ~~Placement of the device should be as follows;~~
- ~~○ There must be one centrally located outside of each separate sleeping area in the immediate vicinity of the bedrooms, and each detector shall be located on the wall ceiling. Any other location is only acceptable if specified in the installation instructions that accompany the unit. If there are distinctly separate sleeping areas in the unit, there must be a detector for each sleeping area.~~
- There must be at least one Carbon Monoxide detector on each level of the unit even if there are no bedrooms present on that level. Specific Carbon Monoxide detector placement will be evaluated under the HUD Carbon Monoxide Alarm inspection standard.
- Carbon Monoxide detectors cannot be installed directly above, or next to a fuel burning appliance and should be installed according to the manufacturer's instructions.
- If the device is a combination carbon monoxide device and smoke detector, then the combined device must emit an alarm or voice warning in a manner that clearly differentiates between a carbon monoxide alarm warning and a smoke detector warning.

~~17-16.~~ Electrical

- Operable Ground-Fault Circuit Interrupter (GFCI) devices shall be required in all units. GFCI outlets shall be installed in bathrooms and kitchens to prevent electrical shock.

~~18-17.~~ Smoke Detectors

- At the time of HQS inspection, units must meet California Health and Safety Code requirements. Landlords must conform with local and/or state requirements by installing smoke detectors within each bedroom, other sleeping areas, and immediate vicinity outside of bedrooms (hallways).
- Effective December 23, 2024, smoke alarms must be hard wired or sealed, 10-year batteries.

- a. When clearance activities are required, providing a copy of certification of the clearance to the Housing Authority
- Performing ongoing maintenance
 - a. As part of ongoing maintenance the owner must provide written notice to each assisted family asking occupants to report deteriorated paint. The notice must include the name, address and phone number of the person responsible for accepting the occupant's complaint.

10.7 Special Requirements for Children with EIBLL [24 CFR 31.1225]

If the Housing Authority is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in a Housing Services Program-assisted unit has been identified as having an ~~environmental intervention blood lead level~~elevated blood lead levels (EIBLL), the Housing Authority must complete a risk assessment of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit this information must be provided to the owner.

Within thirty (30) days after receiving the risk assessment report from the Housing Authority or the evaluation from the public health department the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 31.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required the dwelling unit is in violation of inspection standards and the Housing Authority will take action in accordance with the contract, abate the unit and allow the family to move.

On an ~~annual~~quarterly basis, the Housing Authority must also collect data from the ~~local~~ health department on program participants under age six (6) who have identified ~~environmental intervention~~elevated blood lead levels (EIBLL).

11.3.2 Traditional, Regulatory Assistance for Special Purpose Programs, including VASH and EHV

The Housing Authority may approve a lease above the payment standard for the unit size.

11.3.3 _Appealing a Rent Reasonableness Determination

If the owner of the property disagrees with the rent reasonable determination, the owner may appeal the decision in writing by submitting an appeal that includes a list of comparable rental units that the owner has identified. The Housing Authority will not approve a contract rent above the applicable payment standard. Before using a list of rental units submitted by the owner, the Housing Authority shall confirm that the units are indeed comparable using the criteria outlined above. If the units are not comparable, the Housing Authority will not use these units in the rent comparability survey and the owner will be notified of the decision.

11.3.4 _Rent Reasonableness After Initial Lease-Up

The owner may request a rent adjustment in accordance with the owner's lease and the contract with the Housing Authority. For rent increase requests after initial lease-up, the Housing Authority may request owners to provide information about the rents charged for other units on the premises, if the premises include more than four (4) units. In evaluating the proposed rents in comparison to other units on the premises the Housing Authority will consider any rent setting policies by the owner for existing tenants, in addition to unit size and length of tenancy in the other units.

The Housing Authority will determine whether the requested increase is reasonable and will notify the owner in writing of the determination. The Housing Authority will not approve a contract rent above what is permitted under a State or local rent control law, program requirements, and the applicable payment standard, ~~except for t~~ Some traditional regulatory assistance programs for special purpose programs, ~~including such as~~ VASH and EHV, are not subject to the payment standard limit.

The Housing Authority will also make a redetermination of rent reasonableness at any other time if directed to do so by HUD, or in accordance with the payment standards, or at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined (either increase or decrease) or redetermined by the Housing Authority.

11.3.5 _Rent Reasonableness in Shared Housing

The rent paid to the owner for the assisted family may not exceed the pro-rata portion of the reasonable rent for the shared unit. For the reasonable rent determination, HACSB

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For special purpose program families, the Housing Authority may approve a payment standard of up to 120 percent of FMR if required as a reasonable accommodation for a family that includes a person with disabilities per Notice PIH 2013-26. For the HOPWA program, HUD approval is not required for reasonable accommodation payment standard requests above 120 percent of FMR.

11.5.3 Shared Housing

The payment standard for a family in shared housing is the lower of the applicable program's payment standard for the family unit size or the pro-rata share of the program's payment standard for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private, non-shared space by the total number of bedrooms in the unit.

Example: Household contains 3 people and is issued a 2-bedroom FOA/voucher. The shared housing unit is a 3-bedroom and the family will be occupying 2 bedrooms:

- 2 Bedrooms for assisted family ÷ 3 Bedrooms in the unit .667 pro-rata share
- 2 BR payment standard: \$1,200
- 3 BR payment standard: \$1,695
- \$1,695 x .667 (pro-rata share) = \$1,131
- \$1,131 is lower than the \$1,200 payment standard for the 2 BR family unit size
- \$1,131 is the payment standard used to calculate the HAP

11.5.4 Emergency Housing Voucher Program

For the Emergency Housing Voucher program, a separate payment standard schedule is used. HUD permits the Housing Authority to use the local payment standard or 120% of FMR, whichever is higher. The EHV schedule groups the nine (9) local submarkets into three (3) larger regions. If any of the local submarket payment standards within the region exceed 120% of FMR, the highest local submarket payment standard will be used for the entire region. As changes in market rents permit, the Housing Authority may transition from payment standards grouped by regions to the nine (9) submarkets used by the local payment standards. All other payment standards will be set between 90 — 120% of FMR.

11.6 Rent to Owner Increases

As stated in the Tenancy Addendum, the owner must notify the Housing Authority at least sixty (60) days, or a greater notice period if required by law, before the proposed effective date of any intended rent increase. The tenant must be notified in writing, and a copy of the written notice to the tenant must be submitted to the Housing Authority.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

As authorized by the contract between the Housing Authority and the owner, the Housing Authority will not approve a rent increase if the contract is in abatement for owner-related inspection deficiencies. In accordance with the Tenancy Addendum and the contract, the Housing Authority will disapprove requests made during the initial term of a lease.

The Housing Authority will use the payment standards criteria as defined in ~~41.3~~this chapter, any applicable State or local rent control law, and rent reasonableness to determine the approval of a request for a rent increase. If necessary to ensure financial viability of the of the program, the Housing Authority may limit the value of approvable rent increases, in its voucher programs, to an amount less than the average value of previously approved rent increases. For example, if the average value of rent increases in the previous fiscal year was 10% of the previous contract rent, the Housing Authority will cap the rent increase at a value less than 10% of the previous contract rent. If the new rent is not approved, the Housing Authority will advise both the owner and the family if a partial rent increase/decrease is identified and approved, the Housing Authority will notify the owner, and process the partial adjustment.

An owner who disagrees with the determination may exercise any of the following options:

- Appeal the rent comparability determination;
- Adjust his/her request for a rent increase; and/or
- Serve the family with a proper Notice to Quit in compliance with local and state laws.

The Housing Authority may review a sample of the units to determine how often owners are increasing rents and the average percent of increase by bedroom size.

11.6.1 Term-Limited Lease Assistance Program

An increase in rent will not result in an increase in the flat subsidy amount paid to the owner by the Housing Authority. The family will be responsible for the difference between the contract rent and the Housing Authority subsidy payment to the owner.

triennial basis in accordance with the policies outlined in this chapter⁶⁰. An elderly-only fixed-income family is one that has no members under the age of 57 and has at least 90% of its income from fixed sources.

All other participants in the Streamlined Lease Assistance, VASH, and EHV programs will be recertified on a biennial basis in accordance with the policies outlined in this Chapter.

Interim reporting requirements are described in Section 12.8.

12.1.3 Traditional, Regulatory Assistance for Special Purpose Programs Except Veterans Affairs Supportive Housing (VASH) and Emergency Housing Voucher (EHV)

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) program (see 12.1.2).

All participants in the Traditional, Regulatory Assistance for Special Purpose Programs, including Family Self-Sufficiency (FSS) program participants, will be recertified on an annual basis in accordance with the policies outlined in this Chapter. Interim reporting requirements are described in Section 12.8.

12.2 Scheduling Recertifications

The Housing Authority will notify participants by mail and/or email of their upcoming recertification generally between ninety (90) days to one-hundred and twenty (120) days in advance of their anniversary date. Participants will be provided with a Recertification Packet that they must complete and return within the required time frame either by mail, in person, drop box or Resident Portal. If the Recertification Packets are not returned or are not completed appropriately, the family may be scheduled for a telephone or in-person interview. All adult household members will be required to attend the recertification interview. If the head of household is unable to attend the interview, the appointment will be rescheduled.

If requested as an accommodation by a person with a disability, the Housing Authority will provide the notices in an accessible format. The Housing Authority will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

⁶⁰ HACSB's MTW Activity 4: Biennial and Triennial Recertifications allows elderly-only fixed-income families to be recertified every three years.

In addition, persons with disabilities who are unable to come to the Housing Authority's office will be granted an accommodation by conducting the interview at the person's home, or by mail, email, or phone upon verification that the accommodation requested meets the need presented by the disability.

12.3 Interview Requirements

Families who are required to participate in a recertification interview will follow the guidelines outlined in the section below.

12.3.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs⁶¹

In the interview notification letter to the family, the Housing Authority will include instructions for the family to bring the following:

- Disclosure Questionnaire
- Documentation of income for all family members
- "Authorization for the Release of Information/Privacy Act Notice"
- Declaration of 214 Status when necessary
- Zero Tolerance Policy
- ~~Crime Free Form~~
- And any other required documents

12.3.2 Traditional, Regulatory Assistance for Special Purpose Programs

In the interview notification letter to the family, the Housing Authority will include instructions for the family to bring the following:

- Disclosure Questionnaire
- Documentation of income for all family members
- Documentation of any deductions/allowances
- "Authorization for the Release of Information/Privacy Act Notice"
- Declaration of 214 Status when necessary
- Zero Tolerance Policy
- ~~Crime Free Form~~
- And any other required documents

⁶¹ The FY 2012 and FY 2013 MTW Plans created the Term-Limited Lease Assistance and Streamlined Assistance programs, respectively. These programs do not provide allowances or deductions to participants.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

12.4 Failure to Respond to Notice to Recertify

The Housing Authority conducts recertifications via the resident portal. However, participants may request a hard copy of the recertification packet. A ~~The~~ written interview recertification notification ~~must~~will state which family members are required to attend the interview and/or complete the recertification on the portal. The family may call to request another appointment/due date up to two (2) days prior to the interview/deadline.

If the family does not appear for the recertification interview or submit the required recertification information and has not rescheduled or made prior arrangements with the Housing Authority, the Housing Authority will ~~reschedule~~ a second appointment/due date.

If the family fails to appear for the second appointment or submit the required recertification information, and has not rescheduled or made prior arrangements, the Housing Authority will send family notice of termination and provide instructions on how to request an informal hearing.

If an informal hearing is not requested, but the family later contacts the Housing Authority for reinstatement, reinstatement may be considered if:

- The Housing Authority verifies an extenuating circumstance, such as a long-term illness or other family emergency, or
- The ~~applicant~~participant failed to respond because of a family member's disability.

The request for reinstatement for one of the above circumstances along with supporting documentation must be received within six months of the termination date.

12.5 Information Collection and Verification

The Housing Authority has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate. The Housing Authority will require the family to complete the Disclosure Questionnaire form.

The Housing Authority will follow the verification procedures and guidelines described in the Verifications Chapter of this Administrative Plan for all recertifications.

12.6 Participant Portion of Rent Increases

If a participant's portion of rent increases, a thirty (30) day notice is mailed to the family prior to the scheduled effective date of the recertification. If less than thirty (30) days are remaining before the scheduled effective date of the recertification, the participant's rent increase will be effective on the first of the month following the thirty (30) day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the recertification processing, there will be a retroactive increase in rent to the scheduled effective date of the recertification.

12.7 Participant Portion of Rent Decreases

If a participant's portion of the rent decreases, it will be effective on the recertification due date. If the family causes a delay so that the processing of the recertification is not complete by the anniversary date, the rent change will be effective on the first day of the month following completion of the recertification processing by the Housing Authority.

12.8 Reporting Interim Changes

Participants are required to report certain changes between recertifications. Families must report all criminal cases within ten (10) business days. Families must report all changes that may affect the family's eligible subsidy standards within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation. Other changes that must be reported vary based on the program type of the participant.

12.8.1 Changes in Family Composition

For all Housing Services Programs, participants must report all changes in household composition and income within ten (10) business days of the change, including changes due to birth, adoption, marriage or court-awarded custody. All additions to the household must meet the eligibility criteria described in Eligibility Factors for Admission Chapter of this Administrative Plan and program occupancy standards in Chapter 5.

An interim recertification does not affect the next date of the regularly scheduled recertification.

12.8.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

For post-HOTMA interims effective 10/1/2024 or as soon as practicable thereafter:

If any new family member is approved to be added to the household, the income of the new family member will not be added ~~to the household until the next recertification.~~⁶² ~~The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment.~~ For household

⁶² HACSB's MTW Plan, Activity 4: Biennial and Triennial Recertifications, states that interim reexaminations will not be completed between recertifications.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

size reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

For pre-HOTMA interims effective prior to the enactment of post-HOTMA provisions above:

If any new family member is approved to be added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment. For household size reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

12.8.1.2 Traditional, Regulatory Assistance for Special Purpose Programs and Family Self-Sufficiency (FSS) Program

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) or Emergency Housing Voucher programs (see 12.8.1.1).

For post-HOTMA interims effective 10/1/2024 or as soon as practicable thereafter:

If any new family member is approved to be added, an interim reexamination of family income and rent will not be completed unless the unearned income of the new family member would result in increase in adjusted annual income of 10% or more. If a household size change results in a reduction in adjusted income, the Housing Authority will complete an interim reexamination. However, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

For pre-HOTMA interims effective prior to the enactment of post-HOTMA provisions above:

If any new family member is approved to be added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment. For household size reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

12.8.2 Changes in Income⁶³

Families must report all changes in income in accordance with the policies outlined in this section. Upon receipt of an interim change, the Housing Authority will conduct an interim reexamination, if required, within a reasonable time. Reasonable processing may vary based on the amount of time it takes to verify information, but generally should not be longer than 30 days after the family reports changes in income to the Housing Authority.

12.8.2.1 Term-Limited Lease Assistance and Streamlined Lease Assistance programs

The Housing Authority will not process any interim recertifications due to changes in income for participants in the Term-Limited Lease Assistance or Streamlined Lease Assistance programs. Families may request a hardship exemption under certain circumstances as described in Chapter 6.

12.8.2.2 Veteran Affairs Supportive Housing (VASH) and Emergency Housing Voucher Programs

The Housing Authority will not process an interim reexamination due to an increase in annual adjusted income.⁶⁴

⁶³ Each Housing Services Program has different interim recertification criteria based on the Housing Authority's policy and MTW authorization.

⁶⁴ HACSB's MTW Plan, Activity 4: Biennial and Triennial Recertifications states that interim increases will not be processed. Activity 4 applies to VASH and EHV programs except that interim reexaminations will be performed for interim decreases.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The Housing Authority will process all interim reductions in annual adjusted income that are requested by the family regardless of the amount.

~~12.8.2.2 Streamlined Fixed Lease Assistance Program~~

~~The Housing Authority will not process any interim recertifications due to changes in income for participants in the Streamlined Fixed Lease Assistance programs. However, families may request a hardship exemption under certain circumstances as described in Chapter 6.~~

12.8.2.3 Traditional, Regulatory Assistance for Special Purpose Programs and Family Self-Sufficiency (FSS) Program

For post-HOTMA interim changes effective after 10/1/2024 or as soon as practicable thereafter:

The Housing Authority will process all interim reductions in annual adjusted income that are requested by the family regardless of the amount.

The Housing Authority will decline to process an interim reexamination of annual adjusted income and rent that is due to an increase in earned income regardless of whether the family had a previous interim decrease. Also, the Housing Authority will not process interim changes due to increased unearned income resulting in an adjusted income change of less than 10%. Earned income is not considered when estimating whether the family's adjusted income has increased. Additionally, interim increases will not be processed within three months of the effective date of the next reexamination.

Below is an example on how to determine if an interim must be performed due to an increase in unearned income of 10% or more:

Previous adjusted income:

Unearned income: \$6,000

Earned income: \$12,000

Deductions: \$500

Total adjusted income: \$17,500

Adjusted income (excluding earned income): \$5,500

10% of adjusted income (excluding earned income): \$550

Adjusted income threshold: \$6,050

Current adjusted income:

Unearned income: \$8,000

Earned income: \$14,000

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

Deductions: \$500

Total adjusted income: \$ 21,500

Adjusted income (excluding earned income): \$7,500

The current adjusted income of \$7,500 exceeds the 10% adjusted income threshold of \$6,050, so an interim will be processed.

The income included in the interim reexamination is:

Unearned income: \$8,000

Earned income \$12,000

Deductions: \$500

Adjusted income used to calculate new tenant rent portion: \$19,500

The Housing Authority will schedule an interim recertification for each zero-income family every ninety (90) days. However, if a family reports an income increase but the income cannot be included in an interim reexamination, the Housing Authority will discontinue zero-income reviews for the family.

For pre-HOTMA interim changes reported prior to the enactment of post-HOTMA provisions above:

The family must report any changes in income. However, if there is an increase in income of less than \$300 per month the Housing Authority will not process the interim recertification, unless there is a change in the income source, although the documentation will be notated in the participant's file. Any decreases in income will be processed.

If changes are not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered a violation of family obligations and assistance may be terminated.

The Housing Authority will schedule an interim recertification for each zero-income family every ninety (90) days.

12.8.3 Housing Authority Reviews

The Housing Authority, at its discretion, can schedule reviews in between regularly scheduled reviews to determine if an interim recertification is required. If the Housing Authority makes a calculation error at admission to the program or at recertification, an interim recertification ~~will~~may be conducted, if necessary, to correct the error. If the error resulted in the family being undercharged, but the family will be provided with a 30-day

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

notice, and the family will not be charged retroactively or be required to repay the Housing Authority. If the error resulted in the family being overcharged, the interim recertification will be processed retroactively, and the family will receive a rent credit. If the Housing Authority made a calculation error to the annual adjusted income of \$30 per month or less, the Housing Authority will not to correct the income determination. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

12.8.4 Timely Reported Changes

12.8.4.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

When changes are reported ~~timely~~within ten (10) days, the Housing Authority will notify the family and the owner of any change in the payment, which will be effective according to the following guidelines:

- Increases in the participant portion of the rent are effective on the first of the month following at least thirty (30) day notice to the participant.
- ~~Decreases in the participant rent are effective the first of the month following that the month in which the change is processed. However, no rent reductions will be processed until all the facts have been verified.~~ Decreases in the participant portion of the rent are effective the first of the month following the date that the change is verified.

12.8.4.2 Traditional, Regulatory Assistance for Special Purpose Programs

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

When changes are reported within ten (10) days, the Housing Authority will notify the family and owner of any change in payment according to the following guidelines:

- Increases in the participant portion of the rent are effective on the first of the month following at least thirty (30) day notice to the participant.
- Decreases in participant portion of the rent are effective the first of the month following the date that the change occurred. For example, the participant lost their job on March 29 and reported the change on April 3. The interim would be effective April 1.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

- Increases in the participant portion of the rent are effective on the first of the month following at least thirty (30) day notice to the participant.
- Decreases in the participant rent are effective the first of the month following that the month in which the change is processed. However, no rent reductions will be processed until all the facts have been verified.

12.8.5 Untimely Reported Changes

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

If the family does not report the change within the required time frame or the family causes an unreasonable delay in the interim recertification processing, the following guidelines will apply:

- Increase in participant rent portion will be effective retroactive to the first of the month the interim recertification would have been effective if the change had been reported in a timely manner. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment. The family is not responsible for repayment if an interim reexamination would not have been required if the family had reported the change timely.
- Decrease in participant rent portion will be effective on the first of the month following the month when the change is verified.

For pre-HOTMA actions effective prior to the post-HOTMA provisions above:

If the family does not report the change within the required time frames, the family will have caused an unreasonable delay in the interim recertification processing and the following guidelines will apply:

- Increase in participant portion rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment.
- Decrease in participant portion of rent will be effective on the first of the month following the month that the change was processed.

12.9 Changes that Result in Program Redetermination⁶⁵

If at a regularly scheduled recertification or interim recertification changes to the family result in qualification for a different Housing Authority program, the change will be effective at their regularly scheduled recertification date.

12.9.1 Term-Limited Lease Assistance Program

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Term-Limited Lease Assistance program, the family will be transferred to the Streamlined Fixed Lease Assistance program.

12.9.2 Streamlined Fixed Lease Assistance Program

If the head of household, spouse or cohead is no longer elderly or disabled after being issued a Family Obligations Agreement for participation in the Streamlined Fixed Lease Assistance program, the family will be transferred to the Streamlined Tiered Lease Assistance program.

12.9.3 Streamlined Tiered Lease Assistance Program

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Streamlined Tiered Lease Assistance program, the family will be transferred to the Streamlined Fixed Lease Assistance program.

12.9.4 Traditional, Regulatory Assistance for Special Purpose Programs

In the rare circumstance that a participant in a Special Purpose Program is no longer eligible for that program, and continues to be in good standing, the Housing Authority may transfer the participant, where appropriate, into the program the family qualifies for in alignment with Chapter 2 of this Administrative Plan.

12.10 Over-income Families⁶⁶

This component applies only to families participating in the Streamlined Lease Assistance Program. Elderly/disabled families and current participants of HACSB's Family Self-Sufficiency Program and Homeownership Program are excluded. The exclusion also applies to Term-Limited Lease Assistance Program participants whose assistance ended

⁶⁵ The FY 2012 and FY 2013 MTW Plans created two distinct programs: Term-Limited Lease Assistance and Streamlined Lease Assistance, respectively. These programs each have particular qualifications for participation as documented in this Chapter.

⁶⁶ The FY 2014 MTW Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families. The FY 2022 Moving to Work Annual Plan modified Activity 24 to exempt participants on the Term-Limited Lease Assistance Program.

on or after April 1, 2022 due to an over-income determination. If a family's income, at any time, exceeds eighty percent (80%) of the area median income, the family will be given a six (6) month transition period. After the six (6) month transition period, the family will be terminated from the program.

12.10.1 Hardship Exemption for Over-Income Families

If a family in the six (6) month transition period reports a loss of income that results in the family's income falling below the 80% area median income for the family size, the family may qualify for a hardship exemption. To be eligible for a hardship exemption, the family's income must have decreased due to a no fault loss of income or the death of a household member with income. If an exemption is granted, the family will be removed from the six (6) month transition period.

If the family's income increases to exceed 80% of the area median income for the family size after a hardship exemption is granted, the family will be given another six (6) month transition period. The transition period will not be reduced or prorated based upon the duration of any previous transition period(s).

This hardship exemption shall apply to any family in the six (6) month transition period, regardless of assistance type (i.e.: Streamlined Fixed or Tiered Lease Assistance, etc.)

- A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation
- A statement of the HACSB's obligation to keep confidential any information that it receives from a victim unless (a) the HACSB 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
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY)
- Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>
- National Sexual Assault Hotline at 800-656-HOPE or visit the online hotline at <https://ohl.rainn.org/online//resources/how-ohl-can-help.cfm>.
- Contact information for local victim advocacy groups or service providers

13.4.1 Term-Limited Lease Assistance and Streamlined Lease Assistance

Certain Permissible Moves for families participating in the Term-Limited Lease Assistance and Streamlined Lease Assistance that may be approved at the discretion of the Housing Authority include, but are not limited, to:

- The family has been granted a hardship exemption due to a decrease in the payment standard;
- Documented threats/acts of violence against any household member.

13.5 Denial of Moves

In addition to the Program Moves policies described above, ~~HUD regulations permit the~~ the Housing Authority ~~to deny moves for two additional~~ may deny moves for the reasons:

- Insufficient Funding
- Grounds for Denial or Termination of Assistance
- The family's participation on a term-limited program is ending within 30 days

13.5.1 Insufficient Funding

The Housing Authority will deny a family permission to move on grounds that Housing Authority does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the Housing Authority; (b) the Housing Authority can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the Housing Authority can demonstrate that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

a housing assistance payment, the Housing Authority will resume assistance payments for the family. If the family is still in the unit after one-hundred and eighty (180) calendar days with no changes qualifying them for a subsidy payment, assistance is terminated.

16.1.9 Revocation of Consent Form

Effective for post-HOTMA actions on 10/1/2024 or as soon as practicable thereafter, if a member of the household revokes consent provided on the Form HUD-9886-A, the family will receive a pre-termination notice notifying the family that they will be terminated unless a new Form HUD-9886-A is signed within ten (10) days. If a new Form HUD-9886-A form is not signed by the deadline provided, the family's participation will be terminated. Further, the Housing Authority will notify the local HUD field office of the revocation of consent.

16.2 Other Housing Authority Termination Authorized Reasons [24 CFR 982.553(b) and 982.551(I)]

In addition to the HUD-required mandatory terminations, the Housing Authority may also terminate assistance for other reasons. However, the Housing Authority may consider mitigating circumstances that are described in section 16.2.3.

16.2.1 Criminal Background and Drug Use [24 CFR 5.903(g)]

Participant households may be terminated from the Housing Services program for criminal or drug-related activity that occurred any time within the past seven (7) years by any member of the household. Participants eighteen (18) years of age and older will be required to certify on their Disclosure Form by the Housing Authority if they have engaged in or convicted of any crime. Persons who sign the Disclosure Form, including the certification of criminal activity, declare under penalty of perjury that the information provided is accurate. Providing false information on this certification is grounds for termination of assistance.

Criminal background includes any conviction, or outstanding warrant for, or reasonable belief of engagement in any violent or drug-related offenses, perjury or fraud to obtain assistance. The Housing Authority may propose termination against the family for violent criminal activity that occurs on or off the premises of the assisted unit.

The Fair Housing Act explicitly states that current illegal drug users are not a protected class (persons with disabilities) and permits Housing Authority to reject such applicants. Further, notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for the purposes of eligibility for low-income housing, solely on the basis of any drug or alcohol dependence. [QHWRA; Subtitle A; Sec. 506(3)].

to either pay the Housing Authority in full or execute a repayment agreement and make scheduled payments in accordance with the agreement.

However, consideration of those circumstances does not guarantee a participant will continue to receive housing assistance. Evidence of certain violations or repeated violations can result in program termination. Evidence of mitigating circumstances or evidence of rehabilitation does not require the Housing Authority to disregard potentially disqualifying activity.

If a decision of termination is determined, the Housing Authority will notify the family in writing of the termination and provide a copy of the record to the subject of the record, upon request.

16.2.4 Program Violations

In instances of program violation where, due to consideration of circumstances, or due to the nature of the violation, termination of assistance is not the result, the HACSB will issue an Acknowledgement of Program Violation to the household.

The family will be given an opportunity for continued housing assistance once the family signs an Acknowledgment of Program Violation. The Housing Authority may issue an additional Acknowledgement of Program Violation to families who have a further breach of the Family/Voucher Obligations if the violation is not considered severe; and is not evidence of an ongoing pattern of behavior. However, determination to issue an Acknowledgment of Program Violation rather than termination of assistance will depend upon the severity of the violation and previous patterns of behavior. If the Housing Authority determines to proceed with program termination, the decision will be based on a preponderance of evidence and, breach of the Family Obligations/ Voucher Obligations, ~~and/or breach of the Crime Free Addendum~~.

16.3 Family Obligation/Voucher Violations

As described in Section 16.2.2, failure to abide by any of the family obligations is grounds for termination. The following are the Housing Authority's family obligations:

1. The family must:
 - a. Supply any information that the HACSB or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- b. Disclose and verify social security numbers and sign and submit consent forms for obtaining information
 - c. Supply any information requested by the HACSB to verify that the family is living in the unit or information related to family absence from the unit
 - d. Promptly notify the HACSB in writing when the family is away from the unit for an extended period of time in accordance with HACSB policies
 - e. Allow the HACSB to inspect the unit at reasonable times and after reasonable notice
 - f. Notify the HACSB and the owner in writing before moving out of the unit or terminating the lease
 - g. Use the assisted unit for residence by the family. The unit must be the family's only residence
 - h. Promptly notify the HACSB in writing of the birth, adoption, or court-awarded custody of a child
 - i. Request HACSB written approval to add any other family member as an occupant of the unit
 - j. Promptly notify the HACSB in writing if any family member no longer lives in the unit
 - k. Give the HACSB a copy of any owner eviction notice
 - l. Pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease
 - m. Must report any changes in family composition and family income in writing within ten (10) days of such change
 - ~~n. Sign and adhere to the Crime Free Lease Addendum~~
 - ~~n.~~ n. If applicable, Participant must remain in compliance with supportive service provider (RAD only)
2. The family (including each family member) must not:
- a. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space)
 - b. Commit any serious or repeated violation of the lease
 - c. Commit fraud, bribery, Grand Theft Housing, or any other corrupt or criminal act in connection with the program
 - d. Engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the unit
 - ~~d.~~ e. Sublease or let the unit or assign the lease or transfer the unit

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- ~~e-f.~~ Receive housing choice voucher program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other Federal, State or local housing assistance program
- ~~f-g.~~ Make any side payments in excess of the family share
- ~~g-h.~~ _____ Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises
- ~~i.~~ Receive housing choice voucher program housing assistance while residing in a unit owned by a spouse, parent, child, grandchild, sister or brother of any member of the family, unless the Housing Authority has approved a reasonable accommodation
- ~~h-j.~~ Engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises

16.3.1 Explanation and Terms of Family Obligation Requirements

Further explanation on family obligation violations that may result in a termination of assistance is provided below:

1. ~~Housing Quality Standards (HQS)~~ Inspection Standards Breach: The inspector will determine if an ~~HQS-inspection standards~~ breach as identified in 24 CFR §982.404(b) is the responsibility of the family. At the sole discretion of the Housing Authority, families may be given time extensions to correct ~~HQS-inspection standards~~ breaches.
2. Lease Violations: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance [24 CFR §982.310]:
 - a. If the owner terminates tenancy through court action for serious or repeated violation of the lease.
 - b. If the owner notifies the family of intention to terminate tenancy for serious or repeated lease violations, and the Housing Authority determines that the cause is a serious or repeated violation of the lease based on available evidence.
 - c. If there are police reports, neighborhood complaints or other third-party information, and the Housing Authority has verified the information. Lack of receipts or other proof of rent payments by the family may also be considered verifications of lease violations.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

3. Family Member Moves Out: Families are required to notify the Housing Authority within ten (10) calendar days if any family member leaves the assisted household [24 CFR §982.551(h)(3)]. When the family notifies the Housing Authority, they must furnish the following information:
 - a. The date the family member moved out;
 - b. The new address, if known, of the family member;
 - c. A statement as to whether the family member is temporarily or permanently absent; and
 - d. Related income or deduction changes resulting from the family member moving.
4. Limitation on Profit-making Activity in Unit [24 CFR §982.551(h)(5)]: If the business activity area results in the inability of the family to use any of the critical living areas, such as bedroom utilized for a business which is not available for sleeping, it will be considered a violation. If the Housing Authority determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation of family obligations.
5. Interest in Assisted Unit [24 CFR §982.551(j)]: The family must not own or have any interest in the unit unless assistance is being provided under the homeownership program or for a mobile home, and the family owns the mobile home and rents the pad under the HCV program. The owner may not reside in the assisted unit, under any circumstances, including as a live-in aide, regardless of whether the owner is a member of the assisted family. However, under shared housing the owner may reside in the unit, but housing assistance cannot be paid on the owner's behalf and the resident owner cannot be related to the assisted family.
6. Misrepresentation in Collusion with Owners: If the family willingly and knowingly commits fraud, Grand Theft Housing or is involved in any other illegal scheme with the owner, the Housing Authority will terminate assistance.

16.4 Termination Due to Insufficient Funds

The Housing Authority may terminate assistance, deny/revoke a voucher or deny portability if the Authority has insufficient funds to continue to assist the household. In the event of insufficient funds, assistance will be denied/terminated in the following order:

1. Eligible applicants (not yet issued vouchers) will be placed on hold or returned to the waiting list.
2. New voucher holders will be placed on hold or returned to the waiting list.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

3. Current participants will be randomly selected within the following categories, starting with the first category below. If elimination of all participants within the first category does not yield sufficient results, participants in the next category will be randomly selected, and so forth until the Authority has a balanced budget:
 - a. Single Individuals (non-elderly and non-disabled)
 - b. Families with no children under the age of 18 and no elderly or disabled household members
 - c. Families with children under the age of 18 with no elderly or disabled household members
 - d. All remaining households

If a participant is terminated due to insufficient funds and the household is in good standing, the participant will be placed at the top of the Housing Authority's waiting list. However, the family must meet program eligibility requirements upon program re-admission.

16.5 Notice of Termination of Assistance

In any case where the Housing Authority decides to terminate assistance to the family, the Housing Authority must give the family written notice which states:

- The reason(s) for the proposed termination;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request an informal hearing to be held before termination of assistance; and
- The date by which a request for an informal hearing must be received by the Housing Authority. Informal hearing requests must be made in writing and received within ten (10) business days of the date on the letter.

In most cases, the Notice of Termination will be addressed to the head of household. However, if the reason for the termination involves a cohead, spouse or other household member, additional individuals may be listed in the Notice. If the Housing Authority proposes to terminate assistance for criminal activity as shown by a criminal record, the Housing Authority will provide the subject of the record with a copy of the criminal record if requested.

CHAPTER 18: FAMILY OR OWNER DEBTS TO THE HOUSING AUTHORITY AND RECORD RETENTION POLICIES

18. Introduction

This chapter describes the Housing Authority's policies concerning recovery of overpayments made by HACSB owed to the Housing Authority by families or owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the Housing Authority's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the Housing Authority's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family, or other interested parties.

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the Housing Authority holds the owner or participant liable to return any overpayments to the Housing Authority. The Housing Authority may enter into a repayment agreement in accordance with the policies contained in this Chapter as a means to recover overpayments.

When an owner or participant refuses to repay monies owed, the Housing Authority will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Criminal court
- Civil law suit
- State income tax set-off program

18.1 Family Debts to the Housing Authority [24 CFR 982.552 (c)(v-vii)]

Any amount due to the Housing Authority by a Housing Services program participant must be repaid by the family. If the family is unable to repay the debt within thirty (30) days, the Housing Authority may offer to enter into a repayment agreement in accordance with the policies below.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

The maximum amount the Housing Authority can enter into a repayment agreement is \$5,000. If the family owes more than \$5,000 but less than \$10,000, as a result of program fraud, the family may be permitted to remain on the program if the family makes a downpayment that reduces the total owed to \$5,000 or less and enters into a repayment agreement. If the family refuses to ~~repay the debt~~make a downpayment, enter into a repayment agreement, or breaches a repayment agreement, the Housing Authority will terminate the housing assistance to the family. The Housing Authority may pursue other methods, even after the household is terminated from the program, of collecting the money owed to the Authority.

If a family owes an amount which equals or exceeds \$~~5~~10,000 as a result of program fraud, the family will be terminated. Where appropriate, the Housing Authority will refer the case for criminal prosecution.

18.1.1 Repayment Agreements [24 CFR 982.552 (c)(v-vii)]

The Housing Authority may choose to enter into a repayment agreement with a participant who owes money to the Agency. The term repayment agreement refers to a formal document created by the Housing Authority and signed by a participant where the participant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods. It is similar to a promissory note but contains more details regarding the nature of the debt, the terms of repayment, Housing Authority action upon default of the agreement.

Monthly payments may be made on a repayment agreement amount not to exceed \$5,000. The minimum monthly payment amount for any repayment agreement is \$25. However, the rent plus the monthly repayment amount cannot exceed 40% of household's gross monthly income. Households must pay the Housing Authority on time as specified in the repayment agreement. A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

A late payment will result in the full balance of the repayment agreement to be paid in full and the Housing Authority may begin termination proceedings. A repayment agreement will be considered to be in default when it is in arrears for over thirty (30) days from the date due. If the family's repayment agreement is in default, and the family has not contacted or made arrangements with the Housing Authority, termination procedures will begin.

18.2 Owner Debts to the Housing Authority

If the Housing Authority determines that the owner has retained payments from the Housing Authority that the owner is not entitled to, the Housing Authority may recover these amounts from future assistance for any units under contract with the owner. Any amount due to the Housing Authority by an owner must be repaid by the owner within thirty (30) days of the determination of the debt. If the owner fails to repay the debt within the required time frame and is entitled to future assistance payments, the Housing Authority will reduce the future payments by the amount owed until the debt is paid in full. The Housing Authority may also terminate an owner's contract and sanction the owner if debts are not repaid to the Housing Authority as required.

The Housing Authority may also refer the debt to HUD's Office of the Inspector General, collection agencies, small claims court, file a civil lawsuit or a state income tax set-off program.

18.3 Writing Off Debts

Debts will be written off if the debtor's whereabouts are unknown, the Housing Authority has no other recourse for collection of the debt, the debt is more than seven (7) years old or the debtor is deceased.

18.4 Records Management [24 CFR 5.212, 24 CFR 982.158 and Form-9886-A]

The Housing Authority maintains 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 Housing Authority ensures that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

All applicant and participant information is kept in a secure location and access is limited to authorized Housing Authority staff. HACSB 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.

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

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

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-A, Authorization for Release of Information/[Privacy Act Notice](#). 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 Housing Authority may release the information collected.

The Housing Authority follows 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 data*.

18.4.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency Programs

Applications and participant files will be retained for three (3) years following denial or termination.

For the duration of program participation, and for at least three (3) years thereafter, the Housing Authority must keep:

- Vital documents, including identification documents, birth certificates, social security cards, verification of disability, and immigration documents and forms;
- Application for assistance, preference documents, and/or referral documents;
- Criminal background request and results;
- HUD-9886-A, Declaration of Citizenship/Lawful residency status and Debts Owed Form signed by all adult household members; and
- Reasonable accommodation requests

During the term of each assisted lease, and for at least three (3) years thereafter, the Housing Authority must keep:

- FOA/Voucher;
- Briefing documents;
- Request for Tenancy Approval and ownership documents;
- Owner notices and move documents;

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

- A copy of the executed lease; and
- The HAP/LAP contract; ~~and~~
- ~~The application from the family.~~

In addition, the Housing Authority must keep the following records for at least three (3) years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-50058, supporting documents used to determine adjusted income and rent, and EIV print-out;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting Housing Authority budget and financial statements for the program;
- Records to document the basis for the Housing Authority determination that rent to owner is a reasonable rent (initially and during the term of a HAP/LAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Chapter 16.

18.4.2 Traditional, Regulatory Assistance for Special Purpose Vouchers

The Housing Authority will follow the retention requirements under the specific grant or program.

19.1.2 Traditional, Regulatory Assistance for Special Purpose Programs, Except for the Emergency Housing Voucher Program

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the Housing Authority's jurisdiction at the time the family's application for assistance was submitted, the family must live in the County of San Bernardino with assistance for at least twelve (12) months before requesting portability.

The Housing Authority will consider exceptions to this policy for purposes of special purpose program regulatory compliance, reasonable accommodation or reasons related to domestic violence, dating violence, sexual assault, or stalking. However, any exception to this policy is subject to the approval of the receiving Housing Authority. HUD also gives the Housing Authority discretion to deny a portability move by an applicant family for insufficient funding and grounds for denial or termination of assistance.

The Housing Authority is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the Housing Authority must inform the family that they may not move there and receive assistance.

19.1.3 Emergency Housing Voucher (EHV) Program

Families assisted through the EHV program may exercise portability regardless of the family's residency at time of application. If the receiving PHA does not administer an EHV program, it may absorb the family under its own ACC or bill the initial PHA. If the receiving PHA does administer EHV, it may either bill or absorb the family if an EHV voucher is available. If portability is in connection to the family's initial lease-up under EHV, the initial PHA and receiving PHA must consult and coordinate on EHV services and assistance.

19.1.4 Local Disaster Short-Term Rental Assistance Program

Families assisted through this program may not exercise portability to another jurisdiction unless the receiving PHA will absorb the family.

19.2 Allowable Moves Under Portability for Participants [24 CFR 982.353(d)(2) and 24 CFR 982.355(c)(1)]

The Housing Authority will determine whether a participant family may move out of the jurisdiction with continued assistance in accordance with the policies described in this Chapter and Chapter 13 of this Administrative Plan.

The Housing Authority will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. VAWA creates an exception to this

prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit.

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability. The Housing Authority will send the last recertification to the receiving PHA with supporting documentation.

All outgoing portability families must attend a move briefing and adhere to the Housing Authority's Program Moves guidelines described in Chapter 13 of Administrative Plan.

19.2.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The Housing Authority may not require participants porting to other jurisdictions to comply with the Housing Authority's local requirements, while the participant's assistance is being administered by another Housing Authority. However, a portability move will not be approved if a family is participating in a term-limited program and assistance is ending in one month or less.

19.2.2 Traditional, Regulatory Assistance for Special Purpose Programs [PIH Notice 2011-53]

The Veteran's Affairs Support Housing (VASH) program has additional portability requirements. Portability policies under VASH depend on whether the family wants to move within or outside of the initial Veterans Affairs (VA) facility's catchment area. In all cases of portability, except for moves due to VAWA, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. In all cases of portability within the same catchment area, the initial VA facility must make the determination regarding which VA facility will provide the family with case management. This determination will ultimately affect whether the receiving PHA can absorb the family. If a VASH participant ports to another jurisdiction outside the VA's catchment area due to VAWA, the receiving VA must admit the veteran escaping violence into their caseload.

If the receiving PHA does not administer a VASH program, it must always bill the initial PHA. If the receiving PHA does administer VASH, it may only absorb the family if a HUD-VASH voucher is available and case management can be provided through a VA facility that partners with the receiving PHA.

Continuum of Care, HOPWA and No Child Left Unsheltered families may not port out to other jurisdictions.

19.3 Search Term Extensions

The Housing Authority will not approve extensions to a voucher or family obligations agreement issued to an applicant or participant family porting out of the Housing Authority's jurisdiction except under the following circumstances:

- The initial term will expire before the portable family will be issued a voucher by the receiving PHA (For term-limited programs, extensions will only be granted up to one month prior to the family's program termination date);
- The family decides to return to the Housing Authority's jurisdiction and search for a unit there;
- The family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on extensions set forth in the Chapter 8 of this Administrative Plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial term.

To receive or continue receiving assistance under the Housing Authority's Housing Services program, a family that moves to another PHA's jurisdiction under portability must be under contract in the receiving PHA's jurisdiction within sixty (60) days following the expiration date of the Housing Authority's voucher or family obligations agreement term (including any extensions).

19.4 Billing Procedures [Notice PIH 2011-03]

As receiving PHA, the Housing Authority will initiate billing by submitting to the initial Housing Authority form HUD-52665, Part II-B as well as a copy of the initial HUD-50058 form. The billing cycle for other amounts, including administrative fees will be monthly unless requested otherwise by the initial Housing Authority.

The receiving Housing Authority will bill one hundred percent (100%) of the payment to the owner, and the lesser of eighty percent (80%) \ of the administrative fee (at the initial Housing Authority's rate, pro-rated if applicable) or one-hundred percent (100%) of the receiving Housing Authority administrative fee (pro-rated if applicable) for each "portability" unit leased as of the first day of the month.

Under the Emergency Housing Voucher program, the receiving PHA is entitled to the placement fee and issuance reporting fee and may be reimbursed for the cost of services and assistance provided to the family up to a maximum of \$1,750.

5. Employment – job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation;
6. Personal Welfare – substance/alcohol abuse treatment and counseling;
7. General health care and services – mental health services; HIV/AIDS related services; behavior assessments
8. Household skills and management – training in homemaking and parenting skills; household management; money management; nutrition; obtaining and retaining government, financial and medical benefits; family counseling;
9. Legal Services
10. Other services – any other services and resources, including case management, or reasonable accommodations for individuals with disabilities, that the HACSB determines to be appropriate in assisting families to achieve economic independence and self-sufficiency.

To qualify as in receipt of supportive services a family must have at least one member receiving at least one qualifying supportive service.

At the family's regularly scheduled recertification, HACSB will review documentation from the service provider or the owner indicating the family's continued compliance with the terms of the supportive services programs. Project owners will also be expected to provide some level of monitoring of the services provided. At HACSB's discretion, HACSB may request additional documentation of compliance with supportive service obligations.

Family Failure to Comply with Supportive Service Requirements: Failure without good cause by a family to complete or comply with its supportive service participation requirements may result in termination of the project-based assistance for that unit and may result in the termination of the lease by the project owner.

20.10 Local Project-Based Voucher Subsidy for ~~Tax Credit~~ Developments Using Tax Credit Rents

The Housing Authority may use a different tenant rent (TTP) and housing subsidy calculation for certain ~~tax-credit~~ developments utilizing tax credit rents.⁹⁶ The TTP will be

⁹⁶ The FY 2019 Moving to Work Annual Plan included Activity 27: Local Project-Based Voucher Subsidy for Tax Credit Developments. The activity changes the TTP calculation to create one based upon income bands, applying a flat TTP within each income band instead of basing the calculation of TTP on gross or adjusted income. Additionally, the Housing Authority will modify the housing subsidy calculation to provide a fixed subsidy.

Housing Authority of the County of San Bernardino

Housing Services Program Administrative Plan

Revised: July ~~2024~~2023

based on the applicable tax credit rent according to the unit size and target Adjusted Monthly Income (AMI) for the unit. The housing subsidy will be a fixed subsidy amount negotiated for each development. The target AMI will differ between developments but could be set at 30%, 50%, 60% AMI and/or other level.

The contract rent cannot exceed 110% of the Fair Market Rent (FMR). Contract rents may be increased on the anniversary date of the contract through an increase to the TCAC-published Tax Credit rents.

Effective November 1, 2021, applicants under this program must meet both minimum and maximum income criteria for the target AMI (income tier) to qualify at admission. The minimum income criteria is used to determine the affordability of the tenant rent portion, which cannot exceed 40% of the family's monthly gross income at admission.⁹⁷ The maximum income criteria is used to determine eligibility for the target AMI for the available unit. If the applicant's income exceeds the maximum income for the available unit, the applicant will be skipped until a unit within the applicable income tier becomes available. If the applicant's income exceeds the highest target AMI for the PBV units in the development, then the application will be denied.

After admission, a family may qualify for a six-month hardship exemption if tenant rent exceeds 40% of the family's monthly income. To be eligible for hardship exemption, the family must:

- Have a rent burden greater than 40% of gross monthly income. Rent burden is calculated as the household's monthly rent portion (the applicable tax credit rent) divided by the household's gross monthly income;
- Request the hardship exemption in writing in accordance with Housing Authority policies; and
- Be in compliance with Housing Authority policies, program rules, and regulations.

A six-month hardship exemption may be approved for the following reasons:

- The family experiences a death of a household member with income;
- Any income-earning member of the assisted family no longer remains in the unit;
- An elderly or disabled household experiences a permanent loss of income;
- Unforeseen and involuntary permanent loss of income for a family member under the age of 18;
- Unforeseen involuntary loss of employment;
- Unforeseen loss of income due to major illness as determined by a medical professional; or

⁹⁷ The 2021 MTW Plan, Activity 27, was modified to include a minimum income requirement.

- Unforeseen involuntary permanent loss of income for an adult family member who is attending high school.

If approved for a hardship exemption, the family's TTP will be equal to 40% of the family's gross monthly income for six months. Following the six-month period, the family will return to the AMI rent tier that applied to the family prior to the hardship. No more than one hardship exemption may be approved within a 12-month period, and approval is subject to funding availability.

20.11 Reasonable Accommodation Program Transfers

In order to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities, the Housing Authority may use its available funds to relocate a family that is a current participant in the Housing Authority's public housing program, with a disabled head of household or family member, if one of the following has been determined:

- There are no public housing units to accommodate the family's household needs based on occupancy standards
- There are no ADA/504 units available to accommodate the family's needs (i.e., customized wheelchair exceeds normal dimensions, other specialized equipment needs, etc.)
- There are no public housing units/communities that meet a medically necessary restriction or requirement

20.12-Owner Selection of Tenants [24 CFR 983.253(a) and 983.254(a)]

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease.

During the term of the HAP contract, the contract unit leased to the family must be the appropriate size unit for the size of the family, based on Housing Authority's subsidy standards. Exceptions to this policy may be made in accordance with the guidelines described in the "In-Place Families" and "Public Housing Conversion" sections of this Chapter. The owner must promptly notify the Housing Authority of any vacancy or expected vacancy in a contract unit. The unit must be filled by the next eligible family on the site-based or region-based waiting list.

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Revisions to the Admissions and Continued Occupancy Policy of the Housing Authority of the County of San Bernardino

RECOMMENDATION(S)

Adopt Resolution No. 199 approving revisions to the Admissions and Continued Occupancy Policy governing the Housing Authority of the County of San Bernardino's Public Housing program.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

FINANCIAL IMPACT

Approval of the proposed revisions to the Admissions and Continued Occupancy Policy (ACOP) will have no direct financial impact to the Housing Authority of the County of San Bernardino's (HACSB) annual budget.

BACKGROUND INFORMATION

HACSB's ACOP outlines the adopted policies that govern the Public Housing program. This program provides rental subsidies for low-income families leasing. The ACOP is required of all housing authorities administering the Public Housing program and is reviewed and updated as needed to maintain compliance with Public and Indian Housing Notices (PIH), Federal Register Notices as issued by the United States Department of Housing and Urban Development (HUD), and HACSB's Moving to Work (MTW) activities.

The primary reasons for revising the ACOP are to incorporate regulations under the Housing Opportunity Through Modernization Act of 2016 (HOTMA) published on February 14, 2023, and new inspection regulations under the National Standards for the Physical Inspection of Real Estate (NSPIRE).

Housing Opportunity Through Modernization Act (HOTMA)

HOTMA, which was signed into law on July 29, 2016, made numerous changes to statutes governing HUD programs. Some of the statutory changes were implemented immediately. However, others required separate rulemaking. Many of the statutory provisions in HOTMA were intended to streamline administrative processes and reduce burdens on housing authorities and private owners. The latest HOTMA regulations published on February 14, 2023, affect program eligibility and income & asset calculations.

The key changes under the 2023 HOTMA regulations include:

- Interim Reexamination Requirements: HUD regulations now specify when and under what circumstances an interim reexamination of family income must be conducted.
- Streamlined Verifications: HUD is providing a new consent form, which only needs to be signed by adult family members once, instead of every 15 months. Also, HUD no longer requires use of the Enterprise Income Verification (EIV) system for interim reexaminations.
- Increased Standard Deduction for Elderly/Disabled Households: HOTMA increases the standard deduction from \$400 to \$525.
- Income Inclusions and Exclusions: The rule changes the definition of income and changes income inclusions and exclusions.
- Income Calculation: HOTMA changes the method used to calculate annual income.
- Threshold for Claiming Medical/Disability Expenses Increased: HOTMA increases the allowance for unreimbursed health and medical care expenses from 3% of annual income to 10% of annual income, phased in over two years.
- Higher Threshold for Imputing Asset Income: The rule raises the imputed asset threshold from \$5,000 to \$50,000.
- Hardship Relief: HOTMA provides hardship relief for changes to medical and childcare expense deductions.
- Asset Limitation: HOTMA imposes a \$100,000 asset limit for eligibility and continued assistance. Families are also ineligible for assistance if they own real property suitable for occupancy.
- Asset Exclusions: The rule excludes retirement and educational savings accounts from net family assets.
- Cross-Cutting Changes: The deductions and asset cap will be annually adjusted for inflation by HUD.

Some of the above changes do not apply to MTW programs, due to existing waivers under HACSB's MTW Plan.

All housing authorities have until January 1, 2025, to comply with the new HOTMA requirements. HUD requires housing authorities to update its ACOP in advance of the implementation date and provide a 30-day public review and comment period for the proposed HOTMA policy changes. HACSB followed HUD's guidance which encourages housing authorities to present the HOTMA policy changes for public review and comment concurrently with the 2025 MTW Annual Plan public comment process.

At this time, an implementation date for the proposed HOTMA changes has not been established. The effective date of the changes will be determined once HUD releases all implementation guidance and new forms, HUD's new reporting system, called the Housing Information Portal (HIP), is available, and software changes are operational. Due to the complexity of the changes and timing involved, additional revisions to the ACOP may be needed as HUD releases further guidance.

National Standards for the Physical Inspection of Real Estate (NSPIRE)

HUD created NSPIRE to replace REAC, Uniform Physical Condition Standards (UPCS), which is the inspection standard used for the Public Housing program. NSPIRE will now be the inspection standard for all HUD programs, including Public Housing. The new inspections standards are

Revisions to the Admissions and Continued Occupancy Policy Governing the Housing Authority
of the County of San Bernardino's Public Housing Program
July 9, 2024

intended to provide uniformity across HUD programs, ensure consistent application of the standards, and improve resident health and safety.

The key changes under the NSPIRE include:

- List of Deficiencies: The rule removes subjectivity between inspectors and inspections. All inspectable items and allowable deficiencies are detailed.
- Life-Threatening Conditions List: NSPIRE adds a list of conditions that are classified as life-threatening and must be repaired within 24 hours.

The NSPIRE standards were effective July 1, 2023, for the Public Housing Program and October 1, 2023, for other rental assistance programs.

Other revisions have been made throughout the ACOP to promote consistent application of policies and procedures. Since the ACOP is continuously reviewed for compliance and efficiency, HACSB staff take the opportunity to make minor changes when material changes are brought to the board. Attached is a table summarizing the proposed revisions along with the corresponding sections from the ACOP with the redline changes.

To ensure alignment with HUD regulations and to promote program efficiency, it is recommended the Board adopt the resolution to approve the proposed changes to the ACOP.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on June 26, 2024

HOUSING AUTHORITY RESOLUTION NO. 2024-199

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO APPROVING REVISIONS TO THE ADMISSIONS AND
CONTINUED OCCUPANCY POLICY GOVERNING THE HOUSING AUTHORITY OF THE COUNTY
OF SAN BERNARDINO'S RENTAL ASSISTANCE PROGRAMS**

RECITALS

WHEREAS, the Housing Authority of the County of San Bernardino (HACSB) is required to maintain an Admissions and Continued Occupancy Policy which outlines regulations necessary to administer the Public Housing program on behalf of the United States Department of Housing and Urban Development (HUD); and

WHEREAS, HUD requires public housing agencies to amend their Admissions and Continued Occupancy Policy to incorporate changes and define policy relative to administration of Public Housing Program; and

WHEREAS, HACSB desires to amend its policies and procedures to incorporate new HUD regulations as well as revise language in other sections.

OPERATIVE PROVISIONS

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE COUNTY OF SAN BERNARDINO DOES RESOLVE AS FOLLOWS:**

Section 1. The Board of Commissioners finds that all the facts set forth in the Recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Commissioners hereby approves the revisions to the Admissions and Continued Occupancy Policy governing the Housing Authority of the County of San Bernardino's rental assistance programs, attached hereto as Exhibit "A" and incorporated by reference herein.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of San Bernardino, by the following vote:

AYES: COMMISSIONER:

NOES: COMMISSIONER:

ABSENT: COMMISSIONER:

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO) ss.

I, _____, Secretary of the Board of Commissioners of the Housing Authority of the County of San Bernardino, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Commissioners, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of Tuesday, July 9, 2024.

Secretary

Summary of Admissions and Continued Occupancy Policies Changes, July 9, 2024

Section	Topic	Change
5.1 and subparts	Annual Income Inclusions	Updates definitions for income inclusions.
5.1.4.1 and subparts	Annual Income Exclusions	Updates excluded income criteria under both pre and post HOTMA provisions to include changes to Federally mandated exclusions from income. Also, HOTMA added, removed, and amended other income exclusions.
5.1.4.3	General Income Determination Requirements	Updates definition of annual income and adds exclusion of student financial assistance to align with the FY2024 Moving to Work Plan. The student financial assistance income exclusion will be implemented at the same time as the HOTMA provisions.
5.1.4.7	Adjusted Annual Income	Adds language to conform to HOTMA provisions which revise the dependent deduction, elderly or disabled family deduction, childcare expense deduction and medical expense deduction and provide hardship exceptions under some circumstances.
5.1.6 and subparts	Assets and Asset Income	Adds language to conform to HOTMA provisions which revise the definition of net assets, adds asset exclusions, changes imputed asset income, and imposes a \$100,000 asset limit on applicants to qualify for assistance. The asset limitation amount is adjusted for inflation each year.
5.1.6.4 and subparts	Asset Limitation	Adds section to describe the asset limitation under HOTMA in more detail.
5.1.6.10.3	Eligibility Factors and Requirements	Adds language to conform to HUD's final rule implementing Sections 102 and 104 of HOTMA which imposes an asset limitation of \$100,000 on initial eligibility. The asset limitation is adjusted for inflation each year. Applicants are also ineligible for admission if they own real property suitable for occupancy.
5.1.7.5	Periodic Payments and Payments in Lieu of Earnings	Updates the verification requirements for Social Security and Supplemental Social Security benefits.
5.2.2	Transitional Assistance for MTW Families	Removes Transitional Assistance for MTW Families, leaves only Streamlined Lease Assistance program.
5.3.2	Calculation of Baseline for Streamlined Lease Assistance Programs	Clarifies circumstances in which the baseline income is or is not reset.
5.6	Minimum Rent	Clarifies which programs are subject to minimum rent.
6.1.2	Family Consent to Release of Information	Removes reference to HACSB-9886 form "Authorization for the Release of Information/Privacy Act Notice." All applicants/ participants sign the HUD-9886-A regardless of program.

6 and subparts	General Verification Policies for Continued Assistance for MTW Programs	Updates new verification policies based on HUD notice PIH 2023-10.
6.1.4	General Verification Policies	Adds real property ownership to the list of items verified during the initial eligibility process.
6.2.9	Verification of Real Property Ownership	Adds that the housing authority will accept self-certification of real property ownerships from applicants.
6.3	Verifying Income and Assets	Updates HOTMA requirements for verifying Income and Assets
6.3.1	Employment Income	Clarifies calculation of earned income from tips.
6.3.4	Alimony or Child Support	Updates the verification requirements for alimony and child support.
6.3.6 and subparts	Assets and Income from Assets	Updates HOTMA requirements for verifying assets.
6.3.6	Net Income from Rental Property	Adds prohibition of ownership of real property for applicants.
8.2.1	Changes in Family Composition	Clarifies when interim reexamination of family income is conducted for the different programs.
8.2.2	Changes in Income	Adds HOTMA requirement that interim reexaminations be completed within a reasonable time; generally, no longer than 30 days. Also, adds HOTMA requirements for non-MTW programs requiring interim reexaminations for increases to unearned income of 10% or more.
8.2 and subparts	Timely Reported Changes	Clarifies different effective dates for interim reexaminations for MTW and non-MTW programs under HOTMA.
8.2 and subparts	Untimely Reported Changes	Adds HOTMA requirements for the effective dates for interim reexaminations when the family does not report an interim change timely.
8.2.3	Housing Authority Reviews	Adds HOTMA language concerning the correction of tenant rent calculation errors and adds de minimis errors in income determinations.
13.3	Family Debts to the Housing Authority & Repayment Agreements	Updates policy on repayment agreements to provide opportunity to participants to make a downpayment if the amount owed is over \$5,000.
13.4.1	Records Management	Updates record retention policy to align with current procedures.
13.4.2.1 and subparts	Revocation of Consent Form	Adds revocation of consent form as grounds for termination.

13.5	Special Requirements for Children with EBLL	Updates terminology and requirements concerning reporting elevated blood lead levels in children.
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Notes:

Code of Federal Regulations (CFRs) and notices are struck out in many places because location of citations have changed. Other CFRs will be updated at a later date.

CHAPTER 5

INCOME AND RENT DETERMINATIONS

5. Introduction

This chapter describes all policies related to income calculations and the calculation of family rent share for the Affordable Housing program.

5.1 Annual Income [24 CFR 5.609 (a); 5.603, and 5.100]

~~The Housing Authority generally includes all income received by all family members except for income that is specifically excluded.~~ Annual income includes, with respect to the family: means

- All amounts, monetary or not, unless specifically excluded below, received from all sources by each family member of the family 18 years or older or is head of household or spouse of head of household, plus which:
- Unearned income by or on behalf of each dependent who is under 18 years of age.
- ~~Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or~~
- ~~Are anticipated to be received from a source outside the family during the 12month period following admission or the regularly scheduled recertification effective date; and~~
- ~~Are not specifically excluded.~~

Income of temporarily absent family member is also included in family income.

For the purposes of initial eligibility, the Housing Authority also will calculate the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share¹⁰.

¹⁰ HACSB's MTW Activity 5: Simplified Income Determination eliminates assets for the purposes of calculating the family's rent portion. However, asset income is verified at initial eligibility and used to determine income eligibility.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

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(be)(85)].

Summary of Income Included and Excluded by Person	
Foster children and foster adults ¹¹	Income for the care of a foster child or foster adult, including Kin GAP income, is included.
Head, spouse, or cohead and other adult family members	All sources of income not specifically excluded by the regulations are included, including adoption assistance payments ¹² . except the full amount of student financial assistance is excluded. ¹³
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(be)(34)]. All other sources of income, except those specifically excluded, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Student financial assistance and Employment (earned) income is excluded [24 CFR 5.609(be)(1444)]. ¹⁴ All other sources of income, except those specifically excluded by the regulations, are included.

[-The exclusion of student financial assistance is for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.](#)

¹¹ HACSB's MTW Activity 5: Simplified Income Determination includes all income for the care of foster children.

¹² HACSB's MTW Activity 5: Simplified Income Determination includes all income from adoption assistance.

¹³ HACSB's FY2024 MTW Plan: Activity 5: Simplified Income Determination added all student financial assistance to excluded income list.

¹⁴ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students. The FY2024 MTW Plan added all student financial assistance to the excluded income list.

5.1.1 Caretakers for a Child

If neither a parent nor a designated guardian remains in the unit, the HACSB 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 days. After the 90 days has elapsed, the caretaker will be considered a family member, as long as the caretaker meets all HACSB eligibility criteria, unless information is provided that would confirm that the caretaker's role is temporary. In such cases the HACSB 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, as long as caretaker meets all HACSB eligibility criteria.

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.

5.1.2 Anticipating Annual Income [24 CFR 5.609 and HCV GB, p. 5-17]

The HACSB generally will use current circumstances to determine anticipated income for the coming recertification period. HACSB may use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected.
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income).
- The HACSB believes that past income is the best available indicator of expected future income.

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

5.1.2.1 Known Changes in Income

If the HACSB 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 HACSB 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 HACSB will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs.

5.1.3 Earned Income Included in Annual Income

This section describes the types of earned income that are included in annual income.

5.1.3.1 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.

For persons who regularly receive bonuses or commissions, the HACSB will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the HACSB will use the prior year amounts. In either case the family may provide, and the HACSB 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 HACSB will count only the amount estimated by the employer. The file will be documented appropriately.

5.1.3.2 Some Types of Military Pay [24 CFR 5.609(b)(8)]

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

5.1.4 Types of Earned Income Not Counted in Annual Income

• This section describes the types of earned income that are not included in annual income.

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

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

The following income sources are excluded from the calculation of annual income:

- Temporary, Nonrecurring income, which is income that was received in the previous year that will not be repeated in the coming year. Income received as an independent contractor, day laborer, or seasonal worker or through a temporary staffing agency is not excluded from income even if the amount, source, and date of the income varies. Income that has a discrete end date and will not be repeated beyond the coming year will be excluded from the family's annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals for a period of greater than one year or that can be extended. ~~nonrecurring or sporadic income, including gifts, is not included in annual income. Sporadic income is income that is not received periodically and cannot be reliably predicted. Examples of non-recurring income include U.S. Census Bureau employment income lasting no longer than 180 days, direct federal or state payments for economic stimulus or recovery, tax credits or refunds, guaranteed income program or research stipend that will end before the next reexamination, or lump sum additions to net family assets, such as lottery winnings.~~
- **5.1.4.2 Children's Earnings [24 CFR 5.609 (e) 1]**

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income.

- ~~5.1.4.3~~ Earned Income of Full-Time Students [24 CFR 5.609(c)(11) and HCV GB, p. 529]¹⁵

Earnings for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program.

- Income of a Live-In Aide, Foster Child or Foster Adult [24 CFR 5.609(c)(5)]
- Income earned by a live-in aide, foster child or foster adult, ~~is not included in annual income.~~
- ~~5.1.4.5~~ 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)~~
- ~~Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))~~
- ~~Awards under the federal work-study program (20 U.S.C. 1087 uu)~~
- ~~Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))~~
- ~~Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))~~
- ~~Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)~~

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- ~~5.1.4.6~~ 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 HACSB, on a part-time basis, that

¹⁵ HACSB's MTW Activity 5: Simplified Income Determination excludes all earned income from Full-Time Students.

enhances the quality of life in the community. 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 HACSB's governing board. No resident may receive more than one such stipend during the same period of time.

- ~~5.1.4.7~~ State and Local Employment Training Program [24 CFR 5.609(c)(8)(v)] 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.

The HACSB 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 HACSB 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].~~

- Incremental earnings and benefits to any family member resulting from participation in training programs funded by HUD or in a qualifying federal, 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 training program.
Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA), including: workforce investment activities for adults and workers dislocated as a result of permanent

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

closure or mass layoff at a plant, facility or enterprise or a natural disaster that results in mass job dislocation, in order to assist such adults or workers in obtaining reemployment as soon as possible

- Amounts paid by a state agency to a family with a member of the family who has a disability and is living at home to offset the cost of services and equipment needed to keep the disabled family member at home [24 CFR 5.609(c)(16)]
- Deferred periodic payments of Supplemental Security Income, Social Security income or VA disability benefits that are received in a lump sum or prospective monthly amounts
- Payments made through state Medicaid-managed care system, other state agency or authorized entity to allow a family member with a disability to live at home, such as In Home Supportive Services. To be eligible for the exclusion, both the person providing the care and the person who has the disability must be family members (not household members) and must live in the same assisted household. The exclusion does not apply to income earned by the family for other caregiving services provided to individuals outside of the assisted household [Notice PIH 2023-27]
- Any distribution of principal or corpus of an irrevocable trust or trust outside the control of the family
- Any distribution of income of an irrevocable trust or trust outside the control of the family that is used to pay for health and medical care expenses for a minor
- Any distribution from a revocable trust or trust under the control of the family (except income earned by the trust will be counted as asset income¹⁶ and any distribution of interest earned on the trust principal will be counted as income)
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and worker's compensation. However, periodic payments paid at regular intervals for a period of greater than one year that are received in lieu of wages for workers' compensation continue to be included in annual income [Notice PIH 2023-27]
- Income earned by government contributions to or distributions from 'baby bond' accounts created, authorized or funded by federal, state or local government
- Reimbursement of health and medical care expenses
- Payments related to aid and attendance for veterans under 38 U.S.C. 1521

¹⁶ Refer to the Assets and Asset Income section for applicability by program.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

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- 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
 - 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)
 - 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
 - Refunds or rebates on property taxes paid on the dwelling unit
 - Loan proceeds disbursed by a lender to a borrower or third party (e.g., educational institution or car dealership)
 - Payment received by tribal members from claims relating to the mismanagement of assets held in trust by the United States
 - Civil rights settlements or judgments, including settlements or judgments for back pay
 - Amounts recovered in a civil action or settlement based on malpractice, negligence and other breach of duty claim resulting in a family member becoming disabled
 - Income earned on amounts placed in a family's Family Self-Sufficiency (FSS) escrow account
 - Replacement housing "gap" payments to offset increased rent and utility costs to families displaced from one federally subsidized unit to another federally subsidized unit
 - Amounts specifically excluded by any other federal statute including: [FR Notice 1/31/2024]
 - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b)). This exclusion also applies to assets
 - Payments, including for supportive services and reimbursement of out-of-pocket expenses, for volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(1), 5058), except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Services appointed under 42 U.S.C. 12651c determines otherwise. This exclusion also applies to assets
 - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626c). This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- [Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes \(25 U.S.C. 459e\). This exclusion also applies to assets](#)
- [Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program \(42 U.S.C. 8624\(f\)\). This exclusion also applies to assets](#)
- [Income derived from the disposition of funds to the Grand River Band of Ottawa Indians \(Pub. L. 94-540, 90 Stat. 2503-04\). This exclusion also applies to assets](#)
- [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. This exclusion does not include proceeds of gaming operations regulated by the Commission \(25 U.S.C. 1407-1408\). This exclusion also applies to assets](#)
- [Amounts of student financial assistance funded under Title IV of the Higher Education Act of 1965 \(20 U.S.C. 1070\), 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 only \(42 U.S.C. 1437f\), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 \(20 U.S.C. 1001 et seq.\) from private sources, or an institution of higher education \(as defined under the Higher Education Act of 1965 \(20 U.S.C. 1002\)\), shall not be considered income to that individual if the individual is over the age of 23 with dependent children](#)
- [Payments received from programs funded under Title V of the Older Americans Act of 1985 \(42 U.S.C. 3056\(f\)\)](#)
- [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 Agent-product liability litigation, M.D.L. No. 381 \(E.D.N.Y.\). This exclusion also applies to assets](#)
- [Payments received under the Maine Indian Claims Settlement Act of 1980 \(25 U.S.C. 1721\). This exclusion also applies to assets](#)

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- The value of any childcare 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)
- Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)). This exclusion also applies to assets
- The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt
- 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). This exclusion also applies to assets
- Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22). This exclusion also applies to assets
- 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). This exclusion also applies to assets
- Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3214(a)(2))
- Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC. This exclusion also applies to assets
- Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (Pub. L. 101-503 section 8(b)). This exclusion also applies to assets
- 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. This exclusion also applies to assets

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4))
- Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407)
- Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by States, local governments, and disaster assistance organization. This exclusion also applies to assets
- Any amounts in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295), as described in Notice PIH 2019-09/H 2019-06) or subsequent or superseding notice is excluded from income and assets
- Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. This exclusion also applies to assets

In calculating the incremental difference, the HACSB 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 HACSB's interim reporting requirements.

- **5.1.4.8 HUD-Funded Training Program [24 CFR 5.609(c)(8)(i)]**

Amounts received under training programs funded in whole or in part by HUD are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD. To qualify as a training program, the program must meet the definition of training program provided above for state and local employment training programs.

~~5.1.4.9 Earned Income Tax Credit [24 CFR 5.609(c)(17)]~~

~~Earned income tax credit (EITC) refund payments received on or after January 1, 1991 are excluded from annual income. 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.~~

~~5.1.4.10 Earned Income Disallowance~~

~~There is no earned income disallowance for families participating in the Affordable Housing program.¹⁷~~

5.1.5 Business Income and Self-Employment [24 CFR 5.609(b)(28)]

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."

5.1.5.1 Business Expenses [HCV GB, p. 5-19]

Net income is "gross income less business expense." To determine business expenses that may be deducted from gross income, the HACSB 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.

5.1.5.2 Business Expansion

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

5.1.5.3 Capital Indebtedness

HUD regulations do not permit the HACSB to deduct from gross income the amortization of capital indebtedness. *Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the HACSB will allow as a business expense interest, but not principal, paid on capital indebtedness.

5.1.5.4 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.

5.1.5.5 Withdrawal of Cash or Assets from a Business

HUD regulations require the HACSB 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. Acceptable investments in a business include cash loans and contributions of assets or equipment.

5.1.5.5.1 Co-Owned Business

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.

5.1.6 Assets [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

For the purposes of initial eligibility, the Housing Authority will calculate the amounts from assets to which any member of the family has access. These assets will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating total annual income or family rent share¹⁸.

5.1.6.1 Assets Overview

Assets will be calculated using the policies in this Section. HUD requires that the Housing Authority include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the Housing Authority 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.

5.1.6.2 General Policies

The Housing Authority generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset.

However, the Housing Authority may use past asset income if it is the best indicator of asset income.

As is true for all sources of income, HUD authorizes the Housing Authority 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 Housing Authority believes that past income is the best indicator of anticipated income.

5.1.6.3 Valuing Assets [HCV GB, p. 5-28] Net Family Assets [24 CFR 5.603(b)]

Net family assets are the cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks,

¹⁸MTW Activity 5: Simplified Income Determination excludes assets from the tenant rent portion calculation.

¹⁹ The asset limit for initial eligibility determinations will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

²⁰ The asset limit for initial eligibility will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

bonds, and forms of capital investment. The cash value of all assets owned by the family are included in the calculation of net assets unless specifically excluded below.

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

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

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.

Unless specifically excluded, 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).

Also included in the calculation of net assets is the value of any business or family asset disposed of for less than fair market value, including the disposition in trust, but not in a foreclosure or bankruptcy sale, during the two (2) years preceding the date of application for the program or reexamination. 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 consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investment from family assets.

5.1.6.4 Asset Limitation [24 CFR 5.618(a)]

For post-HOTMA eligibility determinations effective 10/1/2024 or as soon as practicable thereafter, the cash value of a family's total net family assets cannot exceed the current asset limit. The asset limit is adjusted annually by HUD.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

Additionally, the applicant family is not eligible for assistance if any member of the household has a present ownership interest in, a legal right to reside in, and effective legal authority to sell, based on state or local laws of the jurisdiction where the property is located, real property that is suitable for occupancy by the family as a residence.

The restriction on owning property does not apply under the following circumstances:

- The family is applying for assistance under the Affordable Housing program for a family-owned manufactured home or the homeownership option.
- Property is jointly owned with someone else, and occupied by the owner who is not a member of the household receiving assistance.
- A victim of domestic violence, dating violence, sexual assault, or stalking.
- A family that is offering the property for sale.

A family that owns a property may show it is not “suitable for occupancy” if it:

- Does not meet the disability-related needs for all members of the family as verified through the reasonable accommodation process.
- Is not of sufficient size for the family (more than 2 persons per sleeping/living area).
- Is located in an area where residence would create a hardship for the family. For example, the location would be a hardship for the family’s commute to work or school if the one-way distance is more than 50 miles.
- Is unsafe because of physical conditions unless issues can be easily remedied.
- ^{*} Cannot be a residence per local or state laws. For example, property is a storefront zoned for commercial use.

5.1.6.4 Lump Sum Receipts [RHIIP FAQs]

~~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).~~

5.1.6.5 Excluded Assets [24 CFR 5.603(b)(3) and (4)]¹⁹

The following assets are excluded from the calculation of net family assets:

¹⁹ Excluded assets marked with an asterisk will be excluded from the net family assets for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- Necessary items of personal property
- Non-necessary items of personal property if the combined total value does not exceed \$50,000*
- Retirement account recognized by the IRS, such as IRA, 401k, 401b and retirement plans for self-employed individuals*
- Real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located*
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability*
- The value of certain education or disability support savings accounts, such as accounts under IRS code sections 529, 529A, 530, and any 'baby bond' account authorized or funded by Federal, state or local government*
- Interest in Indian trust land
- Equity in a manufactured home where the family receives assistance with the space rent or property assisted under the Homeownership Program*
- Family Self-Sufficiency account
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family*
- Full amount of assets held in an irrevocable trust
- Full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family

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

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

When net family assets are \$50,000 or less, the Housing Authority will include in annual income the actual ~~income anticipated return to be~~ derived from the net family assets. When the family has net family assets in excess of \$5,000, the Housing Authority will include in annual income ~~the greater of~~ (1) the actual income derived from the assets ~~or~~ plus (2) the imputed income: of any asset where the actual income cannot be determined.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

Assets where income cannot be determined are non-financial assets that do not generate income, such as jewelry or a recreational boat Imputed income from assets is calculated by multiplying the total cash value ~~of all family assets~~ of the assets ~~etc.~~ by the current HUD-established passbook ~~savings~~-rate.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

When net family assets are \$5,000 or less, the Housing Authority 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 Housing Authority will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current PHA-established passbook savings rate.

5.1.6.~~76~~ Determining ~~Actual-Anticipated~~ Income from Assets

It may or may not be necessary for the Housing Authority 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, i~~

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-cash~~ 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.

5.1.6.~~87~~ Withdrawal of Cash or Liquidation of Investments

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Any regular withdrawal of cash or assets from an investment, such as a retirement account, will be included in income.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

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

5.1.6.98 Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the Housing Authority 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 Housing Authority will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the Housing Authority will prorate the asset evenly among all owners.

5.1.6.109 Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b) and HCV GB, p.5-27]

HUD regulations require the Housing Authority 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 initial eligibility or recertification, except as noted below.

The Housing Authority 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 recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments. 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. Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

5.1.6.110 Types of Assets

5.1.6.101.1 Checking and Savings Accounts

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

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~~ asset income from the account is zero. ~~In determining the value of a checking and savings account, the Housing Authority will use the current balance.~~ In determining the value of a checking and savings account, the Housing Authority will use the average monthly balance on the most recent two months' statements.

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

If the total value of non-necessary items of personal property (including the value of the checking and/or savings account) is less than \$50,000, then the checking/savings account balance is excluded from net family assets. However, the income derived from the asset will be included unless it is specifically excluded. If the value of non-necessary items of personal property is more than \$50,000, the asset value will be included in the calculation of net family assets.

For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:

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 asset income from the account is zero. In determining the value of a checking and savings account, the Housing Authority will use the average monthly balance on the most recent two months' statements. The Housing Authority will multiply the value of the account by the current rate of interest paid on the account to determine asset income.

5.1.6.101.2 Investment Accounts Such as Stocks, Bonds, Savings 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.

In determining the market value of an investment account, the Housing Authority 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 fixed 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~~ a fixed amount (e.g., ~~stocks dividends from mutual fund~~), the Housing Authority will calculate asset income based on the earnings for the most recent reporting period.

5.1.6.110.3 Equity in Real Property or Other Capital Investments [HGV GB, p. 5-25 CFR 5.6.618]

For post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter, applicants may not own real property that is suitable for occupancy. Refer to Chapter 3 for real property provisions that apply to initial program eligibility.

Equity (cash value) in a property that does not otherwise exclude the family from participation 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. In determining the equity, the Housing Authority 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 Housing Authority 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 Housing Authority 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~~ net family assets **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- The value of a home assisted under the Housing Services program Homeownership Option [24 CFR 5.618(a)]
- ~~The value of a home currently being purchased with assistance under the Housing Services program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]~~
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives and is receiving assistance under 24 CFR 982.620 [24 CFR 5.618(a)]
- ~~Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]~~
- Equity in real property when a family member's main occupation is real estate unless the real estate excludes the family from participation [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. this chapter.
- 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]~~

operation

The Housing Authority 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].

- ~~The Housing Authority 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].~~

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.

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 Housing Authority determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

5.1.6.110.4 Trusts ~~[HCV GB, p. 5-25]~~ [Notice PIH 2023-27](#)

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. 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.

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 [and any interest earned by the trust would not be considered income. For treatment of trust distributions refer to the annual income section of this Chapter.](#) ~~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)].~~

5.1.6.110.5 Retirement Accounts ~~[HCV GB, p.5-26]~~ [24 CFR 5.603\(b\), 24 CFR 5.609\(b\)](#)

[For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter: The value of retirement accounts recognized by the IRS, such as IRA, 401\(k\), 401\(b\), and retirement plans for self-employed individuals, are excluded from assets and any asset income derived from these plans is also excluded from income. However, any distribution of periodic payments from these accounts shall be income at the time they are received by the family.](#)

[For pre-HOTMA actions effective prior to the implementation of the post-HOTMA provisions above:](#)

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

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 Housing Authority must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset.

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, except to the extent that it represents funds invested in the account by the family member. 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 are counted as assets even though early withdrawal would result in a penalty.

5.1.6.101.6 Personal Property [24 CFR 5.603(b) and HCV GB, p. 5-26]

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:
Necessary items of personal property are excluded from assets.

Non-necessary items of personal property, such as checking/savings accounts, recreational boat, art, coin collection, or vintage baseball cards, having a combined total value exceeding \$50,000 are counted as assets. If the value of the non-necessary items of personal property cannot be verified, a self-certification will be accepted.

Examples of necessary and non-necessary personal property for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

<u>Necessary Personal Property</u>	<u>Non-necessary Personal Property</u>
<u>Car(s)/vehicle(s) that a family relies on for transportation for personal or business use</u>	<u>Recreational car/vehicle not needed for day-to-day transportation, such as camper vans, travel trailers, all terrain vehicles</u>
<u>Furniture, carpets, linens, kitchenware</u>	<u>Bank accounts or other financial investments, such as checking account, savings account, stocks/bonds</u>
<u>Common appliances and electronics, such as kitchen appliances, television</u>	<u>Recreational boat/watercraft</u>

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

Clothing and personal effects that are not luxury items	Collectibles, such as coins or stamps
Personal computers, phones, tablets, and related equipment	Items such as gems/precious metals, antique cars, artwork
Medical/health care-related equipment and supplies	Equipment/machinery that is not used to generate income for a business, such as a wood working equipment for a hobby
Wedding and engagement rings; jewelry used in cultural/religious ceremonies	Expensive jewelry without religious or cultural value
Musical instruments used by the family	
Exercise equipment	

[For pre-HOTMA actions effective before the enactment of the post-HOTMA provisions above:](#)

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property [or property](#) held as an investment, the Housing Authority will use the family's [self-certification estimating the value. estimate of the value.](#) The Housing Authority may obtain an appraisal to confirm the value of the asset 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)]. Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

5.1.6.10.7 Life Insurance [HCV GB, p.5-26]

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. 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.

5.1.7 Periodic Payments [\[24 CFR 5.609\]](#)

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.

5.1.7.1 Periodic Payments 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. For pre-HOTMA actions, 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]~~

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

A lump sum received as a result of a retirement account distribution, such as a Required Minimum Distribution, is counted as income.

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 from Social Security and Department of Veterans Affairs disability benefits are excluded, are excluded, and these are discussed under the excluded income section in this Chapter ~~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 41/24/08].~~

5.1.7.3 Treatment of Overpayment Deductions from Social Security Benefits

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, HACSB will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

5.1.7.4 Periodic Payments Excluded from Annual Income

- ~~Amounts paid by a state agency to a family with a member of the family 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)].

5.1.7.5 Payments in Lieu of Earnings ~~[24 CFR 5.609(b)(5)]~~

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter: Payments in lieu of earnings, such as unemployment, worker's compensation, disability compensation, and severance pay, are counted as income 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 the full amount is received in a one-time lump sum (as a settlement, for instance), the payment is treated as a lump-sum receipt and excluded from income.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above:

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income 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.

5.1.8 Welfare Assistance

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.

The Housing Authority must make a special calculation of annual income when the welfare agency imposes certain sanctions families.²⁰ This rule applies only if a family was receiving affordable housing assistance at the time the sanction was imposed.

The Housing Authority must include in annual income "imputed" welfare income when a welfare agency imposes a sanction that reduces a family's welfare income because of one of the following:

- Fraud by a family member in connection with the welfare program; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement.

HACSB will also include in annual income imputed welfare income when the sanction is the result of:

- A situation where a family member has not complied with other welfare agency requirements.

The imputed income is the amount the family would have received if the family had not been sanctioned. This requirement does not apply to reductions in welfare benefits where one of the following has occurred:

- The expiration of a lifetime time limit on receiving benefits;

²⁰ HACSB's MTW Activity 5: Simplified Income Determination allows for all welfare income to be counted, regardless of certain sanctions.

- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as in a case where the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

The Housing Authority will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements. The welfare agency, at the request of the Housing Authority, will inform the Housing Authority of:

- The amount and term of specified welfare benefit reduction for the family;
- The reason for the reduction; and
- Subsequent changes in term or amount of reduction.

The Housing Authority has a written memorandum of understanding in place with the local welfare agency which assists the Housing Authority in obtaining the necessary information regarding welfare sanctions.

The Housing Authority and the local welfare agency have mutually agreed to notify each other of any economic self-sufficiency and/or other appropriate programs or services that would benefit program participants.

5.1.9 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 resident family.

5.1.9.1 Alimony and Child Support [HCV GB, pp. 5-23 and 5-47]

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

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.

5.1.9.2 Regular Contributions or Gifts ~~[24 CFR 5.609]~~

The HACSB must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a resident family. Temporary, nonrecurring, or sporadic income and gifts are not counted.

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

Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization are excluded from income.

5.1.10 Additional Exclusions from Annual Income

Other exclusions contained in 24 CFR 5.609~~(b)~~ and updated by FR Notice 12/14/12 that have not been discussed earlier in this chapter include the following: For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

The following income sources are excluded from the calculation of annual income:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- 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)]
- 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 12/14/12]. 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)) This exclusion also applies to assets
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC This exclusion also applies to assets
 - (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(fg), 5058), except as determined by the Chief Executive Officer of the Corporation for National and Community Service. This exclusion also applies to assets
 - ~~(e)~~(d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) This exclusion also applies to assets
 - ~~(d)~~(e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e) This exclusion also applies to assets
 - ~~(e)~~(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)) This exclusion also applies to assets
 - ~~(f)~~(g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
 - ~~(g)~~(h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

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- ~~(h)~~(i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04) [This exclusion also applies to assets](#)
 - ~~(i)~~(j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
 - ~~(j)~~(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* [This exclusion also applies to assets](#)
 - ~~(k)~~(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) [This exclusion also applies to assets](#)
 - ~~(l)~~(m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
 - ~~(m)~~(n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
 - ~~(n)~~(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 *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.) [This exclusion also applies to assets](#)
 - ~~(o)~~(p) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721) [This exclusion also applies to assets](#)
 - ~~(p)~~(q) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
 - ~~(q)~~(r) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)) [This exclusion also applies to assets](#)
[The amount of any refund \(or advance payment with respect to a refundable credit\) issued under Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt \(26 U.S.C. 6409\)](#)

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

- ~~(f)~~(s) 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) [This exclusion also applies to assets](#)
- ~~(s)~~(t) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- ~~(t)~~(u) 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 § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees 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. 1437a(b)(3)(E) (Pub. L. 109-249) (See Section 6-I.L. for exceptions.)
- (v) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act [because of the commission of a crime against the applicant under the Victims of Crime Act \(42 U.S.C. 10602\)](#)
- (w) [An individual's ABLE account as required under the Achieving a Better Life Experience Act of 2014 \(specifically, the account balance, contributions to the account, and distributions from the account\)](#)
- (x) [Any allowance paid under the provisions of 38 U.S.C. 1833\(c\) to children of Vietnam veterans born with spina bifida \(38 U.S.C. 1802-05\) children of women](#)
- (y) [Vietnam veterans born with certain birth defects \(38 U.S.C. 1821\), and children of certain Korean and Thailand service veterans born with spina bifida \(38 U.S.C. 1821\). This exclusion also applies to assets](#)
- (z) [Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002 \(Pub. L. 107-110, 42 U.S.C. 604\(h\)\(4\)\)](#)
- (aa) [Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency](#)

Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by the States, local government, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets

(bb) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. This exclusion also applies to assets because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602). This exclusion also applies to assets

5.2 Adjusted Income

5.2.1 Streamlined Lease Assistance Program

• For families participating in the Streamlined Lease Assistance program, there are no adjustments to annual income.

~~5.2.2 Transitional Assistance for MTW Families~~

~~For families who are not yet participating in Streamlined Lease Assistance, there are 5 adjustments to annual income.~~

~~5.2.2.1 Dependent Deduction [24 CFR 5.611(a)(1)]~~

~~A deduction of \$480 is taken for each dependent.~~

~~5.2.2.2 Elderly or Disabled Family Deduction [24 CFR 5.611(a)(1)]~~

~~A single deduction of \$400 is taken for any elderly or disabled family.~~

~~5.2.2.3 Medical Expense 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 elderly or disabled families. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted 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.” The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.~~

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

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~~5.2.2.3 Medical Expense 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 elderly or disabled families. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted 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.” The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.~~

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

~~The Housing Authority will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.~~

~~Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnished legible receipts. Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses. Nonprescription medicines must be doctor recommended in order to be considered a medical expense.~~

~~5.2.2.4 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.~~

~~For families who qualify for both medical and disability expenses deduction, when expenses anticipated by a family could be defined as either medical or disability assistance expenses, the Housing Authority will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.~~

~~5.2.2.5 Child Care Expense Deduction [24 CFR 5.603(b)]~~

~~HUD defines *child care expenses* 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 unit, are included when determining the family's child care expenses.~~

~~5.2.2.5.1 Eligible Activities~~

~~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 HACSB 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.~~

~~5.2.2.5.2 Seek Employment~~

~~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 HACSB.~~

~~5.2.2.5.3 Furthering Education~~

~~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 fulltime student, but the time spent in educational activities must be commensurate with the child care claimed.~~

~~5.2.2.5.4 Gainful Employment~~

~~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. 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.~~

~~The HACSB 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].~~

~~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 HACSB 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.~~

5.2.2.5.5 Eligible Expenses

~~The type of care to be provided is determined by the family. The HACSB 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].~~

5.2.2.5.6 Allowable Activities

~~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 HACSB 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.~~

~~5.2.2.5.7 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.~~

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

5.3 Calculating Rent

Families participating in the Streamlined Lease Assistance and the Transitional Assistance for MTW Families have their rent calculated differently. This section describes how rent is calculated for both family types.

5.3.1 Streamlined Fixed Lease Assistance for Elderly/Disabled Families

For families initially joining this program on or before December 31, 2018, HACSB will calculate family rent by selecting the largest of 24% of monthly annual income, the baseline rent, or the minimum rent. For families initially joining this program on or after January 1, 2019, (or as soon as practicable thereafter) HACSB will calculate family rent share by selecting the largest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent. The minimum rent is \$125 for the Streamlined Fixed Lease Assistance for Elderly/Disabled Families program. Families will no longer have the option to be placed on the flat rent. This also applies to the former Upland Housing Authority (UHA) elderly/disabled families as a result of the voluntary transfer on July 1, 2017 with a recertification date of January 1, 2018 or later; future ACOP references to Streamlined Fixed Lease Assistance families will also apply to these former UHA families.

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: [July 2024](#)

THE SMITH FAMILY (EXAMPLE)				
	First-Biennial Recertification (21%)	Second-Biennial Recertification (24%)	Third-Biennial Recertification (27%)	Fourth-Biennial Recertification (30%)
Smith Family Monthly Annual Income	\$833	\$1000	\$1000	\$500
Smith Family Rent Share	\$175	\$240	\$270	\$270

THE BELL FAMILY (EXAMPLE)				
	First-Biennial Recertification (21%)	Second-Biennial Recertification (24%)	Third-Biennial Recertification (27%)	Fourth-Biennial Recertification (30%)
Bell Family Monthly Annual Income	\$300	\$300	\$1200	\$700
Bell Family Rent Share	\$125	\$125	\$324	\$324

5.3.2.1 Calculation of Baseline for Streamlined Lease Assistance Programs

The family's baseline income is set at admission to the program and is based on the annual income calculation policies and income inclusions/exclusions in effect at the time that the baseline was set. The baseline income will only be reset if the family qualifies for a permanent hardship exemption, is transferred from one program to another, such as from SLA to TLA, or as an income correction due to the family's failure to report income at admission.

5.3.3 Streamlined Fixed Lease Assistance for Career-Focused Families Program

The Housing Authority will calculate family rent by selecting the greatest of thirty percent (30%) of monthly annual income, the baseline rent, or the minimum rent.²³

5.3.4 Hardship Exemption Criteria for Streamlined Lease Assistance Programs

HACSB recognizes that under some circumstances, families may experience a hardship that makes it challenging to pay the applicable rent under the Streamlined Lease Assistance Program. Hardship exemption criteria have been developed for all families that see a significant increase in their portion as a direct result of the SLA calculation at initial implementation of the activity or experience certain expenses or losses of income while participating in the program. In order for families to be eligible for a hardship exemption, they must make their request for a hardship exemption in writing and be in compliance with all program rules and regulations. The request for hardship exemption must come no later than 60 days after the change in circumstances. Families also must provide all supporting documents regarding their case and all requests for hardship exemption will be reviewed by the Hardship Review Committee. After the committee has evaluated the family's request, they will determine if the family qualifies for a temporary or permanent hardship exemption. The following sections describe the types of hardship

exemptions that may be granted. All non-elderly/non-disabled households approved for a temporary hardship exemption will be required to participate in the Career Development Initiatives case management activities.

5.3.4.1 Permanent Hardship Exemptions

A permanent hardship exemption may be approved for the following reasons:

- the family experiences a death of a household member with income;
- any income-earning member of the assisted family no longer remains in the unit;
- An elderly or disabled household experiences a permanent loss of income.

²³ The FY 2016 MTW Plan modified Activity 23: Streamlined Lease Assistance to include the Fixed Lease Assistance for Career-Focused Families program.

- Subtract the utility allowance for the unit from the prorated rent. This is the prorated rent for the mixed family.

Revised maximum rents will be applied to a family's rent calculation at the first reexamination after the revision is adopted.

Mixed families who pay flat rent must first have a flat rent worksheet completed to see if the flat rent must be prorated.

If the flat rent is greater than or equal to the maximum rent, there is no proration of flat rent and the family pays the flat rent for the unit. If the flat rent is less than the maximum rent, the mixed family will pay the prorated flat rent.

5.6 Minimum Rent [24 CFR 5.630 and 5.630]

The Minimum Rent for the Streamlined Lease Assistance , including the Family Self-Sufficiency (FSS) Program and Transitional Assistance for MTW Families programs is \$125.00.²⁶ A policy has been established for a temporary waiver from the minimum rent for families who demonstrate a hardship in paying the required minimum amount. Families may request a temporary waiver to the minimum rent by completing the Minimum Rent Waiver Request Form and providing documentation that supports the hardship for the family. In order to qualify for a temporary waiver, the family's income must have decreased due to a no fault loss of income or the death of a household member with income.

²⁶ The FY 2009 Moving to Work Annual Plan included Activity 10: Minimum Rent which established a minimum rent of \$125 for all Housing Services programs except Traditional, Regulatory Assistance for Special Purpose Programs.

CHAPTER 6

VERIFICATIONS

Introduction

6 . [24 CFR Part 5 Subparts B, D, E & F, 982.158 & 5.617]

The Housing Authority verifies all initial and continued eligibility factors. This chapter outlines the Housing Authority's policies for verification which are designed to ensure only eligible applicants are admitted, participants remain eligible for continued assistance and that program integrity is maintained.

6.1 General Verification Requirements [24 CFR 960.259 and 24 CFR 5.230] The family must supply any information that the HACSB or HUD determines is necessary to the administration of the program and must consent to HACSB verification of that information [24 CFR 960.259(a)(1)].

6.1.2 Family Consent to Release Information

All adult family members will be required to sign the HUD-9886-A "Authorization for Release of Information/Privacy Act Notice". In addition to the Authorization for Release of Information/Privacy Act Notice, the Housing Authority requires family members to sign other specific authorization for release of information forms. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

For applicants, verifications may not be more than one-hundred and twenty (120) days old at the time of orientation.²⁷ For participants, they are valid for one-hundred and eighty (180) days from date of receipt.²⁸

If the applicant/participant receives a fixed monthly benefit, such as Social Security, a statement dated within the appropriate benefit year is acceptable documentation [Notice PIH 2023-27].

~~It is required that all adult applicants and residents sign form HACSB-9886, Authorization for Release of Information. The purpose is to facilitate automated data collection and~~

²⁷ HACSB's MTW Activity 5: Simplified Income Determination allows verifications to be not more than 120 days old at the time of the briefing.

²⁸ HACSB's MTW Activity 5: Simplified Income Determination allows for the increase of the number of days verifications are valid.

~~computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form²⁹. HUD and the HACSB 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.~~

6.1.3 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 HACSB will deny admission to applicants and terminate the lease of residents.

6.1.4 Overview of Verification Requirements [Notice PIH 2010-19]

The Housing Authority will require households to provide documentation for the factors described in this section at recertification and interim recertification as applicable.

For income sources that are available for verification in HUD's Enterprise Income Verification (EIV) system or other available Up-Front Income Verification (UIV) systems, HACSB will compare the documents provided by the household with the information in the EIV/UIV systems. Currently, income sources that are available in EIV include income from wages, unemployment benefits, Social Security, and Supplemental Security Income. Income sources that may be available through other UIV systems include Temporary Assistance to Needy Families and income from wages through the Work Number.

If the family disputes the information from the EIV system, HACSB will use tenant-provided documents. If the Housing Authority is unable to obtain tenant-provided documents, it will then attempt to receive third-party written or oral verification. If those attempts are unsuccessful, HACSB will rely on self-certification provided by the household to calculate income.~~If there is a discrepancy of \$300 or more per month~~

²⁹ ~~Add that HACSB 9886 form.~~

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

~~between the documents provided by the household and the EIV/UIV system, HACSB will require third-party written verification of the income. If the Housing Authority is unable to obtain third-party written verification it will then attempt to receive third-party oral verification. If those attempts are unsuccessful, HACSB will rely on the documents provided by the household to calculate income.~~

~~If there is a discrepancy of less than \$300 per month between the documents provided by the household and the EIV/UIV system, HACSB will calculate income based on the most recent verification of the source and the associated amount of income from that source.~~

If data that is generally available in the UIV/EIV systems is not available due to recent employment or other unknown reasons, HACSB will rely on documents provided by the assisted family.

For all income sources that are not generally available in EIV/UIV, HACSB will rely on documents provided by the household. However, the Housing Authority reserves the right to conduct third-party verification on all income sources. Families must provide documentation to support all sources of income except for fully excluded income sources. If a household does not provide supporting documentation, it is a violation of family obligations and the participant may lose their housing assistance. If the Housing Authority, at its discretion chooses to further verify an income source, it will attempt to first obtain third-party written verification. If that attempt to receive verification is unsuccessful, HACSB will request third-party oral verification. If those attempts are unsuccessful, HACSB will rely on the documents provided by the household to calculate income or family self-certification where applicable.³⁰

Per PIH Notice ~~2013-04~~ 2023-27, HACSB will accept an applicant or participant's self-certification of fully excluded income sources (such as food stamps) and the related income amounts on the initial application and recertification packets. HACSB is not required to (1) Verify the income in accordance with the HUD-prescribed verification hierarchy; (2) Document in the tenant file why third party verification was not available as required by 24 CFR 960.259(c)(i) and 24 CFR 982.516(a)(2); and (3) Report the income ~~in Section 7 of~~ Additionally, HACSB will accept self-certification of present ownership of

³⁰ HACSB's MTW Activity 5: Simplified Income Determination created a modified verification hierarchy for HACSB's MTW programs.

real property from applicants. If the family discloses real property ownership, further documentation will be requested. In the case of the ownership exception under VAWA, the Housing Authority must follow the documentation restrictions set forth in the VAWA section.

~~the form HUD-50058. Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.~~

For initial eligibility, HACSB verifies assets. The HACSB 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].

In addition to the income verification policies described above, each family member age 18 and older will be asked if there has been any update in criminal activity. If there has been any change in criminal activity, the Housing Authority will obtain verification.

6.1.5 Requirements for Acceptable Documents

Generally, documents used for verification must be the original and generally must be dated within 120 days of the date they are provided to the HACSB. The documents must not be damaged, altered or in any way illegible. Print-outs from web pages are considered original documents.

The HACSB staff member who views the document may make a photocopy and date stamp the document. Any family self-certifications must be made in a format acceptable to the HACSB and must be signed in the presence of a HACSB representative or HACSB notary public.

6.2 Verifying Family Information

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 HACSB.

The HACSB 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 HACSB and must be signed by the family member whose information or status is being verified.

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The HACSB 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 HACSB and must be signed by the family member whose information or status is being verified.

6.2.1 Verification of Legal Identity

The Housing Authority requires each household member to provide one of the following forms of verification of legal identity:

Verification of Legal Identity	
Adults	Children
Certificate of birth, naturalization papers Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) U.S. passport	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

If none of these documents can be provided and at the Housing Authority's discretion, a third party who knows the person may attest to the person's identity. Legal identity will be verified on an as needed basis.

6.2.2 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 HACSB 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 HACSB may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

The HACSB 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 HACSB within 90 days. 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 HACSB 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 HACSB 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 HACSB is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

The HACSB 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.

6.2.3 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.

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

6.2.4 Family Relationships

Applicants and residents 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. 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.

6.2.4.1 Marriage

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

6.2.4.2 Separation or Divorce

Certification by the head of household is normally sufficient verification. If the HACSB has reasonable doubts about a separation or divorce, the HACSB will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced. A copy of a court-ordered maintenance or other court record is required to document a separation. If no court document is available, documentation from a community-based agency will be accepted.

6.2.4.3 Absence of Adult Member

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).

6.2.4.4 Foster Children and Foster Adults

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

6.2.5 Student Status

The HACSB 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.

6.2.6 Documentation of Disability

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

The HACSB 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

6.2.6.1 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].

For family members claiming disability who receive disability payments from the SSA, the HACSB 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 HACSB will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the HACSB 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 HACSB.

6.2.6.2 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.

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.

6.2.7 Citizenship or Eligible Immigration Status [24 CFR 5.508]

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.

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)]

6.2.7.1 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.

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the HACSB receives information indicating that an individual's declaration may not be accurate. The HACSB may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

6.2.7.2 Eligible Immigrants

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.

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 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 HACSB must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS). The HACSB will follow all USCIS protocols for verification of eligible immigration status.

6.2.8 Verification of Preference Status

HACSB will verify each preference according to the criteria in the following chart:

Preference Verification	
Preference	Verification Method
Homeless family preference (exclusive to the Waterman Gardens development): a preference will be given to chronically homeless families with children, with priority to homeless families of veterans and active military personnel.	Referral from shelter, emergency shelter, food bank, school district or other similar entity. For veterans, use of the verification for veterans below.
Veterans Preference: A preference will be given to veterans or surviving spouses of veterans and active military personnel	DD-214, government issued documentation (e.g. active military card, proof of veteran's income)

Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

Residency Preference: A preference will be given to families who reside in San Bernardino County in order to respond to local needs and priorities of the need for assisted housing in San Bernardino County. A family member who is working or who has been notified that they are hired to work in the San Bernardino County area will be treated as residents of San Bernardino County.	Residence: Utility bill, credit report, government issued ID Employment: Pay stubs, letter from employer, third party form verification
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6.2.9 Verification of Real Property Ownership

The Housing Authority will accept self-certification of present ownership of real property from applicants. If the family discloses real property ownership, further documentation may be requested. In the case of the ownership exception under VAWA, the Housing Authority must follow the documentation restrictions set forth in the VAWA section.

6.3 Verifying Income and Assets

This sections provides HACSB policies that supplement the general verification procedures specified earlier in this chapter.

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

7.5.1.1 Streamlined Lease Assistance, and Family Self-Sufficiency Programs

The Housing Authority will generally collect current income information to calculate anticipated income.³¹ However, in some cases, verification of past income, such as annual statements or tax returns, may be requested.

6.3.1 Employment Income

Families with earned income generally will be required to provide two consecutive months of pay stubs. The Housing Authority may require additional months of pay stubs for sporadic or seasonal employment income. Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard

³¹ HACSB's MTW Plan, Activity 5, Simplified Income Determination specifies that HACSB will use a family's anticipated income to determine the tenant rent.

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. ~~Earned Income~~

~~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.~~

6.3.2 Business and Self Employment Income

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 HACSB 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 HACSB may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

6.3.3 Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the HACSB will request a ~~a SSA benefit verification letter dated within the current benefit year~~~~current (dated within the last 60 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 HACSB 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 1-800-7721213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the HACSB.

To verify the SS/SSI benefits of residents, the HACSB 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 HACSB 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 HACSB 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 1-800-7721213. Once the family has received the benefit verification letter, it will be required to provide the letter to the HACSB.

6.3.4 Alimony or Child Support

The way the HACSB will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments. If the family declares that it **receives regular payments**, verification will be sought in the following order.

- Current receipts and/or payment stubs
- ~~Copy of the print out from the overseeing entity, receipts and/or payment stubs for the 60 days prior to HACSB 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 and of the likelihood of support payments being received in the future, or that support payments are not being received

If the family declares that it **receives irregular or no payments**, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
 - If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts
- Families are not required to undertake independent enforcement action.

6.3.5 Student Financial Assistance

Streamlined Lease Assistance

The full amount of student financial assistance is excluded from income.³²

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. Refer to the excluded income section in this Chapter for a detailed description of student financial assistance that is included and excluded from annual income.

For pre-HOTMA actions effective prior to the enactment of post-HOTMA provisions above: Certain student financial assistance is included in annual income. However, most student financial assistance is excluded from annual income. The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Housing Services program assistance on their own—that is, apart from their parents.
- They are under twenty-four (24) years of age **OR** they have no dependent children.

For students who satisfy these three (3) conditions, any financial assistance **in excess of tuition and any other required fees and charges** received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the Housing Authority will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Chapter 4, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

1. *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, and State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.

³² HACSB's FY2024 MTW Plan Activity 5: Simplified Income Determination adds all student financial assistance to the list of excluded income. This provision is for post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter.

2. Assistance from private sources means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in a Housing Services program assisted unit.
3. Tuition will have the meaning given this term by the institution of higher education in which the student is enrolled and will include any other fees and charges required by the institution for enrollment [FR 12/14/12, p. 74497].

6.3.6 Assets and Income from and Assets Income Assets- [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Assets will be calculated using the policies in this Section. HUD requires that the Housing Authority include in annual income the income derived from assets, such as interest, dividends, and other net income of any kind from real or personal property. This section discusses how to calculate net family assets and how the income from various types of assets is determined. For most types of assets, the Housing Authority 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 net family assets will be determined
- How income from the asset will be calculated

HACSB only verifies assets at initial eligibility and this section describes how those assets will be verified.

Streamlined Lease Assistance

For the purposes of initial eligibility, the Housing Authority will calculate the amounts from assets to which any member of the family has access. These assets and asset income will be used to determine if the family exceeds the income limit threshold but will not be included for purposes of calculating family rent share.³³ If the net family assets exceed the asset limit at initial eligibility determination, assistance will be denied.³⁴

- **6.3.5.1 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 HACSB needs to verify only those certifications

³³ MTW Activity 5: Simplified Income Determination excludes assets from the tenant rent portion calculation.

³⁴ The asset limit for initial eligibility determinations will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter.

that warrant documentation [HCV GB, p. 5-28]. The HACSB will verify the value of assets disposed of only if:

- The HACSB 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.

- ~~6.3.5.2~~ Net Income from Rental Property

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

Applicants may not own real property suitable for occupancy by the family. In cases, where the family owns rental property but continues to be eligible for assistance, the net income from the rental property will be verified and included in annual income.

For actions effective pre- and post-HOTMA, families with income from rental property must provide:

The family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current resident
- 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 HACSB 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.

- ~~6.3.5.3~~ Retirement Accounts

The HACSB 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 HACSB 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 HACSB 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 HACSB 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.

6.3.67 Income from Excluded Sources [PIH Notice 2013-04]

The HACSB must obtain verification for income exclusions only if, without verification, the HACSB 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 HACSB will confirm that HACSB records verify the child's age but will not require third-party verification of the amount earned.

6.3.78 Zero Income Status

The HACSB will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by families claiming to have zero annual income.

6.4 Deductions

This section describes the verification of deductions, where applicable.

6.4.1 Dependent Deduction

6.4.1.1 Streamlined Lease Assistance Programs

There is no dependent deduction for the Streamlined Lease Assistance programs.

6.4.1.2 Transitional Assistance for MTW Families Program

The dependent deduction requires only that the Housing Authority verify that the family members identified as dependents meet the statutory definitions. The Housing Authority must 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 family³⁵

³⁵ HACSB's MTW Activity 5: Simplified Income Determination includes foster children and adults as family members.

8.1.8 Effective Dates

This section describes what the effective date will be for changes in rent. If the HACSB chooses to schedule a recertification for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACSB, but will always allow for the 30-day notice period.

8.1.8.1 Rent Increases

In general, an increase in the resident rent that results from a recertification will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance. If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period. If there is a 10% or more increase in the rent, a 60-day notice will be provided.

8.1.8.2 Rent Decreases

In general, a decrease in the resident rent that results from a recertification will take effect on the family's anniversary date.

8.1.8.3 Resident Caused Delays

If the family causes a delay in processing the recertification, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the recertification processing.

Delays in recertification processing are considered to be caused by the family if the family fails to provide information requested by the HACSB by the date specified, and this delay prevents the HACSB from completing the recertification as scheduled.

8.2 Interim Recertifications [24 CFR 960.257 and 24 CFR 966.4]

For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:

If the family does not report the change within the required time frame or the family causes an unreasonable delay in the interim recertification processing, the following guidelines will apply:

- Increase in participant rent portion will be effective retroactive to the first of the month the interim would have been effective if the change had been reported in a timely manner. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment. The

family is not responsible for repayment if an interim reexamination would not have been required if the family had reported the change timely.

- Decrease in participant rent portion will be effective on the first of the month following the month when the change is verified.

For pre-HOTMA actions effective prior to the post-HOTMA provisions above:

If the family does not report the change within the required time frames, the family will have caused an unreasonable delay in the interim recertification processing and the following guidelines will apply:

- Increase in participant portion rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be responsible for any overpaid assistance and may be required to sign a repayment agreement or make a lump-sum payment.

Decrease in participant portion of rent will be effective on the first of the month following the month that the change was processed.

~~Participants are required to report certain changes between recertifications. The required changes vary based on the program type of the participant.~~

8.2.1 Changes in Family Composition

Participants must report all changes in household composition and income within 10 business days of the change, including changes due to birth, adoption, marriage or court awarded custody. All changes that may affect the family's eligible bedroom size must be reported within 10 business days of the change occurring, including a household member(s) no longer needing a live in aide or approved additional bedroom due to reasonable accommodation. All additions to the household must meet the eligibility criteria described in Eligibility chapter of this ACOP.

An interim recertification does not affect the next date of the regularly scheduled recertification.

8.2.1.1 Streamlined Lease Assistance

For post-HOTMA interims effective 10/1/2024 or as soon as practicable thereafter:

If any new family member is approved to be added to the household, the income of the new family member will not be added until the next recertification.⁴¹ For household size

⁴¹ HACSB's MTW Plan, Activity 4: Biennial and Triennial Recertifications, states that interim reexaminations will not be completed between recertifications.

reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

For pre-HOTMA interims effective prior to the enactment of post-HOTMA provisions above:

If any new family member is approved to be added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the housing payment. For household size reductions, changes to the subsidy standard will occur at the next regularly scheduled recertification. Generally, household size increases will not result in changes to the subsidy standard unless the household addition was the result of a birth, adoption or court-awarded custody. If the increase in subsidy standard is due to birth, adoption or court-awarded custody, HACSB will update the family's voucher size to reflect the change in family composition at interim reexamination.

~~If any new family member is added, the income of the new family member will be added to the household. The Housing Authority will conduct an interim recertification to determine such additional income and will make the appropriate adjustments in the rent. The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular certification after moving into the unit. An interim recertification does not affect the next date of the regularly scheduled recertification.~~

8.2.2 Changes in Income

Families must report all changes in income in accordance with the policies outlined in this section. Upon receipt of an interim change, the Housing Authority will conduct an interim reexamination, if required, within a reasonable time. Reasonable processing may vary based on the amount of time it takes to verify information, but generally should not be longer than 30 days after the family reports changes in income to the Housing Authority.

8.2.2.1 Streamlined Lease Assistance Programs

The Housing Authority will not process any interim recertifications due to changes in income for participants in the Streamlined Lease Assistance programs.

8.2.2.2 Transitional Assistance for MTW Families

The family must report any changes in income. However, if the change in income is less than \$300 per month the Housing Authority will not process the interim recertification although the documentation will be notated in the participant's file.

If changes are not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered a violation of family obligations and assistance may be terminated.

The Housing Authority may schedule a meeting with each zero income family every 90 days.

8.2.2.3 Transitional Assistance for MTW Families and Interim Recertifications After November 1, 2014

If a Transitional Assistance for MTW families household reports an interim change in income after November 1, 2014 and they are more than 6 months from their regular recertification date, the Housing Authority will do a side-by-side calculation to compare the family rent share under the Transitional Assistance for MTW families program and the family rent share under the program they will be transitioning to at their next regular recertification; either Streamlined Fixed or Streamlined Tiered Lease Assistance, depending on household eligibility. If the side-by-side calculation determines that the family may benefit from transitioning to the Streamlined Lease Assistance program sooner they will be given the opportunity to do so and will be required to complete a Program Transfer Request form once they have attended a Streamlined Lease Assistance briefing and been informed of their rights and responsibilities under the Streamlined Lease Assistance program. At this time their recertification date will be reset and a full recertification will be done in order to complete the program transfer.

8.2.3 Housing Authority Reviews

The Housing Authority, at its discretion, can schedule reviews in between regularly scheduled reviews to determine if an interim recertification is required. If the Housing

Authority makes a calculation error at admission to the program or at recertification, an interim recertification will be conducted, if necessary, to correct the error, ~~but interim recertification may be conducted, if necessary, to correct the error.~~ If the error resulted in the family being undercharged, the family will be provided with a 30-day notice, and the family will not be charged retroactively or be required to repay the Housing Authority. If the error resulted in the family being overcharged, the interim will be processed retroactively, and the family will receive a rent credit. If the Housing Authority made a calculation error to the annual adjusted income of \$30 per month or less, the Housing Authority will not to correct the income determination, the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

8.2.4 Effective Dates

This section describes what the effective date will be for changes in rent. If the HACSB chooses to schedule a recertification for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACSB, but will always allow for the 30-day notice period.

8.2.4.1 Rent Increases

In general, an increase in the resident rent that results from a recertification will take effect following 30 days in advance to the family. If there is a 10% or more increase in the rent, a 60-day notice will be provided.

8.2.4.2 Rent Decreases

In general, a decrease in the resident rent that results from a recertification will take effect on the first of the month after the change has been verified.

8.2.4.3 Resident Caused Delays

If the family causes a delay in processing the recertification, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the recertification processing.

Delays in recertification processing are considered to be caused by the family if the family fails to provide information requested by the HACSB by the date specified, and this delay prevents the HACSB from completing the recertification as scheduled.

8.3 Changes that Result in Program Redetermination⁴²

If at a regularly scheduled recertification or interim recertification changes to the family result in qualification for a different Housing Authority program, the change will be effective at the next regularly scheduled recertification date.

8.3.1 Streamlined Fixed Lease Assistance Program

If the head of household, spouse or co-head is no longer elderly or disabled after executing a lease for the Streamlined Fixed Lease Assistance program, the family will be transferred to the Streamlined Tiered Lease Assistance program.

8.3.2 Streamlined Tiered Lease Assistance Program

If the head of household, spouse or co-head becomes disabled after executing a lease for the Streamlined Tiered Lease Assistance program, the family will be transferred to the Streamlined Fixed Lease Assistance program.

8.3.3 Transitional Assistance for MTW Families

Families who are participants in Transitional Assistance for MTW Families will be transferred to the program for which they qualify at their first regularly scheduled recertification on or after February 1, 2015. If the head of household, spouse or co-head is elderly or disabled, the family will be transferred to the Streamlined Fixed Lease Assistance program. If the head of household, spouse or co-head is not elderly or disabled, the family will be transferred to the Streamlined Tiered Lease Assistance program.

8.4 Over-income Families⁴³

If a family's income, at any time, exceeds 80% of the area median income, the family will be given a six month transition period. After the six month transition period, the family will be issued a lease termination notice and will be required to move. If the family fails to

⁴² The FY 2012 and FY 2013 MTW Plans created two distinct programs: Five Year Lease Assistance and Streamlined Lease Assistance, respectively. These programs each have particular qualifications for participation as documented in this Chapter.

⁴³ The FY 2014 MTW Annual Plan included Activity 24: Transition for Over-Income Public Housing/Housing Choice Voucher families.

that document how the HACSB determined the 95th percentile of TTP, whether the maximum rent was determined HACSB-wide, community-wide, or with groupings of communities, and the methodology used to determine maximum rents for each unit size.

13.3 Family Debts to HACSB

Any amount due to the Housing Authority by a resident must be repaid by the family. If the resident is unable to repay the debt within 30 days, the Housing Authority may offer to enter into a repayment agreement in accordance with the policies below.

If the family owes more than \$5,000 but less than \$10,000, as a result of program fraud, the family may be permitted to remain on the program if the family makes a downpayment that reduces the total owed to \$5,000 or less and enters into a repayment agreement.

If the resident refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the Housing Authority will terminate the housing assistance to the family. The Housing Authority may pursue other methods, even after the household is terminated from the program, of collecting the money owed to the Authority.

If a family owes an amount which equals or exceeds \$~~5~~¹⁰,000 as a result of program fraud, the family will be terminated. ~~the case will be referred to the Office of the Inspector General.~~ Where appropriate, the Housing Authority will refer the case for criminal prosecution.

13.3.1 Repayment Agreements [24 CFR 982.552 (c)(v-vii)]

The Housing Authority may choose to enter into a repayment agreement with a resident who owes money to the Agency. The term repayment agreement refers to a formal document created by the Housing Authority and signed by a resident where the participant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of repayment, Housing Authority action upon default of the agreement.

There are some circumstances in which the Housing Authority will not enter into a repayment agreement. They include, but are not limited to, the following:

- If the family already has or has ever had a repayment agreement in place; or

- If the amount is over \$5,000.

The minimum monthly payment amount for any repayment agreement is \$25. Households must pay the Housing Authority on time as specified in the repayment agreement. A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

A late payment will result in the full balance of the repayment agreement to be paid in full and the Housing Authority may begin termination proceedings. A repayment agreement will be considered to be in default when it is in arrears for over thirty (30) days from the date due. If the family's repayment agreement is in default, and the family has not contacted or made arrangements with the Housing Authority, termination procedures will begin.

13.4 Record Keeping

The HACSB will 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 HACSB will ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

13.4.1 Record Retention [24 CFR 908.101]

The HACSB will keep the last three [\(3\)](#) years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three [\(3\)](#) years from the end of participation (EOP) date. During the term of each affordable housing tenancy, and for at least four years thereafter, the HACSB also will keep all documents related to a family's eligibility, tenancy, and termination. In addition, the HACSB will keep the following records for at least four 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 and the affordable housing maximum rent
- Documentation supporting the establishment of utility allowances and surcharges
- Accounts and other records supporting HACSB budget and financial statements for the program
- Other records as determined by the HACSB 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 the duration of program participation, and for at least three (3) years thereafter, the Housing Authority must keep:

- Vital documents, including identification documents, birth certificates, social security cards, and immigration documents
- Application for assistance
- Family Obligations Statement/Voucher
- HUD-9886-A, Declaration of Citizenship/Lawful residency status and Debts Owed Form signed by all adult household members.

13.4.2 Records Management

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACSB staff. HACSB 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.

13.4.2.1 Privacy Act Requirements [24 CFR 5.212 and Form-9886-A]

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 will be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

- Documentation supporting the establishment of flat rents and the affordable housing maximum rent
- Documentation supporting the establishment of utility allowances and surcharges
- Accounts and other records supporting HACSB budget and financial statements for the program
- Other records as determined by the HACSB 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 the duration of program participation, and for at least three (3) years thereafter, the Housing Authority must keep:

- Vital documents, including identification documents, birth certificates, social security cards, and immigration documents
- Application for assistance
- Family Obligations Statement/Voucher
- HUD-9886-A, Declaration of Citizenship/Lawful residency status and Debts Owed Form signed by all adult household members.

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Housing Authority of the County of San Bernardino

Affordable Housing Programs ACOP

Revised: July 2024

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886-A, Authorization for Release of Information/[Privacy Act Notice](#). 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 HACSB may release the information collected.

Effective for post-HOTMA actions on 10/1/2024 or as soon as practicable thereafter, if a member of the household revokes consent provided on the Form HUD-9886-A, the family will receive a pre-termination notice notifying the family that they will be terminated unless a new Form HUD-9886-A is signed within ten (10) days. If a new Form HUD-9886-A form is not signed by the deadline provided, the family's participation will be terminated. Further, the Housing Authority will notify the local HUD field office of the revocation of consent.

13.4.2.2 Up-front Income Verification Records

HACSB uses UIV data through HUD's Enterprise Income Verification (EIV) System and has adopted and follows 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).

13.4.2.3 Criminal Records [24 CFR 5.903(e), 24 CFR 5.903(g)]

The HACSB may only disclose the criminal conviction records which the HACSB receives from a law enforcement agency to officers or employees of the HACSB, or to authorized representatives of the HACSB who have a job-related need to have access to the information. The HACSB must establish and implement a system of records management that ensures that any criminal record received by the HACSB 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 HACSB action without institution of a challenge or final disposition of any such litigation.

The HACSB must establish and implement a system of records management that ensures that any sex offender registration information received by the HACSB 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 HACSB 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 HACSB other than under 24 CFR 5.905.

13.4.2.4 Medical/Disability Records

HACSB is not permitted to inquire about the nature or extent of a person's disability. The HACSB may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the HACSB receives a verification document that provides such information, the HACSB will not place this information in the resident file.

13.5 Reporting Requirements for Children with Environmental Intervention Blood Lead Level [24 CFR 35.1130(e)]

The HACSB has certain responsibilities relative to children with ~~environmental intervention- elevated~~ blood lead levels (EBILL) that are living in affordable housing. The HACSB will report the name and address of a child identified as having ~~an environmental intervention- elevated~~ blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional. The HACSB will also report each known case of a child with an ~~environmental intervention- elevated~~ blood lead level to the HUD field office.

13.6 Violence Against Women Act (VAWA): Notification, Documentation and Confidentiality

The Violence Against Women Reauthorization Act of 2013 (VAWA 2013) provides special protections for victims of domestic violence, dating violence, sexual assault, and stalking who are applying for or receiving assistance under the affordable housing program. If state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and HACSB policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and HACSB policies are located in Chapter 3, "Eligibility"; Chapter 5, "Occupancy Standards and Unit Offers"; Chapter 8, "Leasing and Inspections"; Chapter 12, "Transfer Policy"; and Chapter 13, "Lease Terminations."

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Meeting Minutes for Special Meeting Held on June 18, 2024

RECOMMENDATION(S)

Approve the meeting minutes for the Special meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on June 18, 2024.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #2: To be known as a trusted provider of safe, dignified, and desirable homes and environments that enrich and add value to the community.

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

Approval of this item will not result in a financial impact to the Housing Authority of the County of San Bernardino (HACSB) as there are no financial impacts associated with this item.

BACKGROUND INFORMATION

The HACSB Board of Commissioners (Board) Special Meeting took place on June 18, 2024, and attached are the meeting minutes for review and recommended approval by the Board.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on, July 3, 2024.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF
THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
June 18, 2024**

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a special meeting at the Administration Office, at 715 East Brier Drive, San Bernardino, California at 3:04 p.m. on June 18, 2024.

Details of the meeting discussion can be obtained through the recording of the Board of Commissioners meeting through a Public Records Request submitted in person or through the HACSB website: <https://hacsb.com/public-records-request/>

1) Call to Order and Roll Call

The meeting was called to order, and upon roll call, the following were present:

Chair Cooper
Vice-Chair MacDuff
Commissioner Johnson
Commissioner Avila
Commissioner Kim

Commissioner Miller was noted as absent.

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Jesse Diaz, Director of Business Services; Kristin Maithonis, Director of Housing Services; Angie Lardapide, Procurement and Contracts Supervisor; Renee Kangas, Senior Management Analyst; Jennifer Dawson, Director of Administrative Services; Lucy Leslie, Director of Housing Communities; Justin Post, Management Analyst; George Silva, Family Empowerment Services Manager; Dan Ireland, Management Analyst; Vince Wrzalinski, Housing Services Manager; David Stevenson, Accountant II; Waheed Etabar, Accountant II; and Claudia Hurtado, Executive Assistant.

Also present via Zoom, Fred Galante, Legal Counsel to the Housing Authority.

2) Additions or Deletions to the Agenda

Chair Cooper called for additions or deletions to the June 18, 2024, agenda. There were none.

3) General Public Comment

Chair Cooper provided an opportunity for members of the public to address the Board of Commissioners. There were none.

Commissioner Miller joined the meeting at 3:05 pm.

4) Executive Director's Report

The Executive Director's Report was requested.

Executive Director Razo gave the Executive Director's Report.

Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report for June 18, 2024.

5) Contract Amendment with CohnReznick, LLP for Financial Audit Services

Discussion calendar item number 5, to 1) approve Amendment No. 2 to contract No. PC1154, effective August 12, 2024, with CohnReznick, LLP for Financial Audit Services to exercise the second and last option year and increase the current contract amount by \$102,780 for a total contract amount not to exceed \$495,800 through August 11, 2025, 2) authorize and direct the Executive Director to execute and deliver any related documents, and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction was requested.

The Executive Director explained the item.

Commissioner Johnson moved to approve discussion calendar item number 5, as recommended by staff and Commissioner Avila seconded the motion.

Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper
Vice-Chair MacDuff
Commissioner Johnson
Commissioner Avila
Commissioner Kim
Commissioner Miller

Nays

6) Extension of Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for 53 units at the Vista Del Sol property

Discussion calendar item number 6, to 1) approve a contract extension of the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for 53 units at the Vista Del Sol property for a 15-year period from September 15, 2025, through September 14, 2040, 2) authorize and direct the Executive Director to execute and deliver the contract extension to Housing Partners I, Inc., and upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Discussion amongst the Board of Commissioners took place regarding discussion calendar item number 6.

Commissioner Miller moved to approve discussion calendar item number 6, as recommended by staff and Commissioner Johnson seconded the motion.

Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Johnson

Commissioner Avila

Commissioner Kim

Commissioner Miller

Nays

7) Contract for Inspection Services – Alternate including Independent Entity Services and Functions

Discussion calendar item number 7, to 1) approve Contract No. PC1366, effective July 1, 2024, with Executive Inspections, LLC, for Inspection Services – alternate including Independent Entity Services and Functions for a three-year base period with two single or multiple year options to extend through June 30, 2029, 2) approve a total amount not to exceed \$228,000 for the three-year base period, 3) authorize and direct the Executive Director to execute and deliver Contract No. PC 1366 to Executive Inspections, LLC, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Commissioner MacDuff moved to approve discussion calendar item number 7, as recommended by staff and Commissioner Miller seconded the motion.

Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper

Vice-Chair MacDuff

Commissioner Johnson

Commissioner Avila

Commissioner Kim

Commissioner Miller

Nays

8) Contract Amendment with RP Landscape and Mariposa Landscapes, Inc. for Landscape Services

Discussion calendar item number 8, to 1) approve Amendment No. 1 to contract PC1355, retroactive to May 1, 2024, for agencywide landscaping services with RP Landscape & Irrigation to add additional properties and increase the contract by \$180,846.84 for a total amount not-to-exceed \$731,814.84 through April 30, 2026, 2) approve Amendment No. 1 to contract PC1355, retroactive to May 1, 2024, for agencywide landscaping services with Mariposa Landscapes, Inc. to remove properties and decrease the contract by \$146,304.08 for a total amount not-to-exceed \$314,761.92 through April 30, 2026, 3) authorize and direct the Executive Director to execute and deliver Contract amendments to RP Landscape & Irrigation and Mariposa Landscape, Inc, upon consultation with Legal Counsel, to approve any non-substantive revisions necessary to complete the transaction, was requested.

Executive Director Razo explained the item.

Discussion amongst the Board of Commissioners took place regarding discussion calendar item number 8.

Commissioner Miller moved to approve discussion calendar item number 8, as recommended by staff and Commissioner Johnson seconded the motion.

Upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper
Vice-Chair MacDuff
Commissioner Johnson
Commissioner Avila
Commissioner Kim
Commissioner Miller

Nays

9, 10, and 11) Consent Calendar

Approval of the consent calendar including agenda item numbers 9-11 was requested.

Commissioner Johnson moved to approve consent calendar agenda item numbers 9-11,

9) Approve the meeting minutes for the regular meeting of the Board of Commissioners of the Housing Authority of the County of San Bernardino held on May 14, 2024.

10) Approve and file Agency-wide Financial Statements through February 2024.

11) Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of March 2024.

The motion was duly seconded by Commissioner Miller and upon roll call, the Ayes and Nays were as follows:

Ayes

Chair Cooper
Vice-Chair MacDuff
Commissioner Johnson
Commissioner Avila
Commissioner Kim
Commissioner Miller

Nays

12) Board building presentation for June 18, 2024

Discussion calendar item number 12, to receive the board building presentation for June 18, 2024, regarding preliminary information for the fiscal year 2024-2025 agency budget and the 2025 Moving to Work Annual Plan, was requested.

Director of Business Services, Jesse Diaz provided the board with the presentation on the preliminary information for the fiscal year 2024-2025 agency budget.

Sr. Management Analyst, Renee Kangas provided the board with the presentation on the 2025 Moving to Work Annual Plan.

Discussion amongst the Board of Commissioners took place regarding the discussion calendar item number 12.

Chair Cooper provided an opportunity for individual board member comments. There were none.

There being no other business, Commissioner Miller moved for the special meeting of Tuesday, June 18, 2024, to be adjourned, and which motion was duly seconded by Commissioner Johnson. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 4:18 p.m.

Beau Cooper, Chair

Cassie MacDuff, Vice Chair

Tim Johnson

David Avila

Sylvia Miller

Sungman Kim

Attest:

Secretary

REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Agency-wide Financial Statements through March 2024

RECOMMENDATION(S)

Approve and file Agency-wide Financial Statements through March 2024.
(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The Housing Authority of the County of San Bernardino's (HACSB) year-to-date agency-wide net income through March 2024 for Federal Fiscal Year (FFY) 2023-24 is \$13,450,848. The net income is currently higher than the budgeted net loss of (\$3,982,203) with a variance of \$17,433,051. The large variance is primarily related to two main components. The first being HUD funds received a month early for the Housing Choice Voucher program, the second being budgeted expense for certain line items that have not yet been realized. As such, the positive variance can be viewed as temporary.

The \$17,433,051 variance between the budgeted and the actual net income is due to the variance of gains and losses to the budget, such as:

- The U.S. Department of Housing and Urban Development (HUD) sent the April 2024 funding in March. This is not common but has occurred to a holiday occurring in the first week of the month. The total April 2024 funding received was nearly \$14 million and has overstated the operating and net income. The change in operating net income and the net income if the April funding were not received are reflected below.

			OPERATING	NET	
Per March 2024 Financial Statement			15,994,524	13,450,848	
April Funding			(13,941,045)	(13,941,045)	
ADJUSTED NET INCOME			2,053,479	(490,197)	

This overstatement in the operating and net income is only temporary and will not be reflected on the April 2024 financial statements.

- Depreciation expenses are not budgeted and amount to \$2.5 million.

- The Housing Choice Voucher (HCV) Program received \$6.8 million more in Housing Assistance Payment (HAP) funding from HUD. HACSB budgets expecting to receive all HAP funds that were awarded, but the actual funds that are received are based on prior months HAP expenses. This causes a variance between the amount of funding budgeted and the amount received.
 - An annual reconciliation between the amount of HAP funding received and the amount that should have been received are performed by HUD and HACSB. This reconciliation is also used to determine the difference between the authorized funding amount and the actual funding received.
 - If the authorized funding exceeds the amount that HACSB received, the difference is deposited into a restricted HUD Held Reserve (HHR) account which can be used for future eligible expenses, with HUD's approval.
 - If the funds expected to be received by HACSB exceeds the authorized funding amount, a withdrawal is made from HHR.
- Conversely the HCV Program experienced an increase in HAP in the amount of \$6 million. This was mainly due to rising rents and an increase in vouchers issued, due to issuances in 2023. Unlike the funding in the HCV program, HAP is not budgeted at a 100% lease rate. It is budgeted based on an estimated lease rate for the year, estimated available funding per federally approved appropriations, and on approved use of restricted HAP HUD held reserves.
- Administrative funding in the HCV program is based on the number of vouchers issued. There was an increase in the number of vouchers this year, so HACSB received \$225,000 more funding than budgeted. However, this will decrease as the number of families served is decreased through attrition.
- There is a decrease in tenant services expenses in the amount of \$300,000. This is budgeted evenly for the fiscal year, but the level of services provided can vary from month to month. We expect that the actual expense at year end will be closer to the budgeted amount.
- Physical needs work is budgeted evenly throughout the fiscal year, but the actual work performed can vary monthly. This causes a variance between the budgeted amount and the actual amount. The amount of variance through March 2024 is \$1.5 million which is reflected on the extraordinary maintenance line on the financial statements. We expect that the actual expense at year end will be closer to the budgeted amount.
- The Authority had a lower than expected administrative and maintenance expenses. This amounted to \$25,000 and is made up of the following increases/(decreases)

Hardware/Software		(105,000)
Vacancy Turnaround		375,000
Maintenance Expenses		495,000
Consulting/Professional Expenses		(280,000)
Admin/Maintenance Salaries		(405,000)
Other Admin Expenses		(105,000)
		(25,000)

- The decrease in hardware/software was due to items that have not been purchased but will be purchased later in the year.
- The increase in vacancy turnaround and maintenance expense are due to increasing costs.
- There are vacant positions in the administrative staff which accounts for most of the decrease in salaries.
- Tenant income exceeded the budgeted amount by \$1.3 million. This increase is mainly due to prior year rental income being recognized in the current year. This occurs every year due to common accounting treatment. Adjustments will be made during the year to remove the prior year income and we expect that the budgeted amount and actual amount for rental income will materially be the same.
- There was an increase in other income in the amount of \$900,000 due to an increase in revenue generated from an affiliate non-profit as well as a favorable increases in investments and interest income.

The information provided is based on unaudited information. During the audit process, revenue and expenses are typically adjusted and we expect a material amount of expenses related to the pension and Other Post Employment Benefit (OPEB) plans to be recognized during this process. This will lead to a decrease in the operating net income. The audited financial report will be provided to the Board of Commissioners once the audit process has been completed. The audit process will be completed in late June 2025 for the prior fiscal year which is when the audited financial statements are submitted to HUD.

Financial Summary	FY 2024 YTD
Revenues	\$131,773,169
Expenses	\$(115,778,645)
Operating Net Income/(Loss)	\$15,994,524
Operating Transfers/Non-Operating Items	\$(2,543,676)
Net Income/(Loss)	\$13,450,848

BACKGROUND INFORMATION

HACSB administers multiple housing programs and is the largest provider of affordable housing in the County of San Bernardino. The FFY 2024-25 budget and financial operations continue to support the vision and mission of HACSB and are in line with its Strategic Plan and Moving to Work Annual Plans. Overall, HACSB has demonstrated fiscal stability even through the challenges presented by delays in the federal budget process.

Despite ongoing challenges such as the lack of a congressionally approved funding allocation, we continue to focus on maintaining the agency's fiscal stability, customer service, innovation, best practices, partnerships that will assist our staff and families, and show a continued passion for our agency's mission.

Based on HUD's guidance to routinely present key information to HACSB's Board of Commissioners, HACSB is presenting the financial statements on a monthly basis.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, June 26, 2024.

HACSB Budget Comparison

Period = Oct 2023-Mar 2024

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	16,371,306	15,311,788	1,059,519	6.92	30,869,944
Total Other Tenant Income	513,475	256,013	257,462	100.57	511,667
NET TENANT INCOME	16,884,781	15,567,800	1,316,981	8.46	31,381,611
GRANT INCOME					
TOTAL GRANT INCOME	109,519,446	87,961,698	21,557,748	24.51	175,926,069
OTHER INCOME					
TOTAL OTHER INCOME	5,368,942	4,460,797	908,145	20.36	7,780,646
TOTAL INCOME	131,773,169	107,990,295	23,782,874	22.02	215,088,326
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	4,303,793	5,287,721	983,929	18.61	10,575,443
ADMINISTRATIVE					
Total Administrative Salaries	7,764,864	8,216,893	452,029	5.50	17,230,491
Total Legal Expense	261,218	282,475	21,256	7.52	564,845
Total Other Admin Expenses	4,025,852	4,035,088	9,235	0.23	8,080,900
Total Miscellaneous Admin Expenses	1,321,784	1,730,598	408,814	23.62	2,960,662
TOTAL ADMINISTRATIVE EXPENSES	13,373,719	14,265,053	891,334	6.25	28,836,897
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	1,546,161	1,805,577	259,416	14.37	2,459,644
UTILITIES					
TOTAL UTILITY EXPENSES	2,121,247	2,253,910	132,663	5.89	4,514,366
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	1,866,844	1,714,683	-152,161	-8.87	3,535,851
Total Materials	883,345	458,187	-425,158	-92.79	916,270
Total Contract Costs	2,095,122	1,806,970	-288,151	-15.95	3,590,795
TOTAL MAINTENANCE EXPENSES	4,845,311	3,979,841	-865,470	-21.75	8,042,916
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	1,590,653	892,901	-697,752	-78.14	1,692,963
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	1,881,212	3,409,568	1,528,357	44.83	5,623,953
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	85,103,072	79,105,139	-5,997,933	-7.58	158,210,278
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,013,478	972,787	-40,690	-4.18	1,944,793
TOTAL OPERATING EXPENSES	115,778,645	111,972,498	-3,806,146	-3.40	221,901,253
OPERATING NET INCOME	15,994,524	-3,982,203	19,976,727	501.65	-6,812,927
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	2,543,676	0	-2,543,676	N/A	0
NET INCOME	13,450,848	-3,982,203	17,433,051	437.77	-6,812,927

**REPORT/RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO AND RECORD
OF ACTION**

July 9, 2024

FROM

MARIA RAZO, Executive Director, Housing Authority of the County of San Bernardino

SUBJECT

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss for the Month of April 2024

RECOMMENDATION(S)

Approve vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of April 2024.

(Presenter: Maria Razo, Executive Director, 332-6305)

STRATEGIC PLAN ALIGNMENT

Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

FINANCIAL IMPACT

The accounts receivable loss for the month ending April 30, 2024, is \$224,161.43. The Housing Authority of the County of San Bernardino (HACSB) projects and anticipates collection losses in its annual budget.

BACKGROUND INFORMATION

On a monthly basis, HACSB records vacated tenant accounts for the Authority Owned Portfolio for the purpose of being written off to collection losses. Authority Owned Portfolio units are owned by HACSB and were either acquired or developed through a variety of partnerships with local governments and/or HACSB's non-profit affiliate Housing Partners I, Inc., and include public housing developments converted through the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program.

Despite HACSB's efforts to collect the debts listed in the attached reports, it has been determined that such debts are uncollectible. As part of HACSB's standard property management business practices, Board of Commissioners approval is requested to write off these accounts as accounts receivable losses to the Authority Owned Portfolio. Losses during this time period (April 1-April 30, 2024) are primarily for voluntary move-outs and evictions. The total write-off for the month of April 2024, is \$224,161.43, as delineated in the following table. Attached is a worksheet that itemizes the individual accounts.

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month of April 2024
July 9, 2024

SUMMARY FOR HACSB- Authority Owned Properties

PROPERTY	NO. VACATED	TOTAL
481130 - Maplewood Homes	1	3,133.00
481160- Chino	1	4,962.00
481161- Colton	1	11,953.00
481174-Yosemite	1	1,928.40
481172-Bighorn	1	(55.00)
481170- 7th st	2	797.00
402 - Summit Place	1	376.00
407 - Sunset Pointe	1	(251.00)
408 - Sunrise Vista	1	3,332.00
409 - Andalusia	1	(0.08)
414 - Redwood	1	248.00
423 - Mesa Gardens	1	7,109.50
425a - Sequoia	7	159,956.70
434a - Third	0	-
437 - Sunset Gardens	0	-
467 - Hillcrest	1	5,640.00
Concessions Write Off	0	-
TOTAL RENT WRITE OFF	21	199,129.52
Miscellaneous Charges		205.00
Maintenance Charges		23,997.41
Legal Charges		15,824.50
Security Deposits Applied		(14,995.00)
NET TOTAL WRITE OFF		224,161.43

Vacated Tenant Accounts for the Authority Owned Portfolio to be Written Off as Collection Loss
for the Month of April 2024
July 9, 2024

PROCUREMENT

Not applicable

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on June 28, 2024

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

04/30/24

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
481130 - Maplewood Homes													
1	L	M		E	304.00	3,133.00		50.00	977.50	1,100.00	5,260.50	993.00	4,267.50
TOTALS:						3,133.00	-	50.00	977.50	1,100.00	5,260.50	993.00	4,267.50
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Notice to pay or quit	10/06/23	10/06/23	11/08/23	12/29/23	N		N/A	04/03/24		04/03/24		
481160- Chino													
1	H	J		E	470.00	4,962.00		300.00	1,298.00	1,335.00	7,895.00	1,545.00	6,350.00
TOTALS:						4,962.00	-	300.00	1,298.00	1,335.00	7,895.00	1,545.00	6,350.00
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Notice to pay or quit	08/07/23	Posted	09/13/23		N		N/A	03/26/24		04/17/24		
481161- Colton													
1	J	K		E	673.00	11,953.00		100.00	1,079.05	705.00	13,837.05	922.00	12,915.05
TOTALS:						11,953.00	-	100.00	1,079.05	705.00	13,837.05	922.00	12,915.05
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Notice to pay or quit	11/07/23	Posted	12/11/23	02/02/24	N		N/A	04/10/24		04/10/24		
481170- 7th st													
1	S	C		Voucher	771.00	797.00			1,277.00		2,074.00	816.00	1,258.00
2	W	J		Voucher	463.00	-			644.00		644.00	540.00	104.00
TOTALS:						797.00	-	-	1,921.00	-	2,718.00	1,356.00	1,362.00
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Intent to Vacate	n/a						n/a			04/29/24		
2	Intent to Vacate	N/a						n/a			04/30/24		

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

04/30/24

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
481172-Bighorn													
1	J	S		Voucher	565.00	(55.00)			1,261.00		1,206.00	1,081.00	125.00
2	B	L		Eviction					(936.00)		(936.00)		(936.00)
TOTALS:						(55.00)	-	-	325.00	-	270.00	1,081.00	(811.00)

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Intent to Vacate									04/05/24
2	Payment on bad debt									

481174-Yosemite													
1	H	M		Eviction	\$250	1,928.40			1,702.00		3,630.40	767.00	2,863.40
TOTALS:						1,928.40	-	-	1,702.00	-	3,630.40	767.00	2,863.40

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Stipulation Agreement			12/07/23				4/20/23 original date	04/02/24	04/02/24

402 - Summit Place													
1	V	S		V	1,409.00	376.00			1,207.00		1,583.00	600.00	983.00
TOTALS:						376.00	-	-	1,207.00	-	1,583.00	600.00	983.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Intent to Vacate	04/01/24								04/08/24

407 - Sunset Pointe													
1	G	J		V	984.00	(251.00)		(245.00)	1,136.00		640.00	600.00	40.00
TOTALS:						(251.00)	-	(245.00)	1,136.00	-	640.00	600.00	40.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Intent to Vacate	03/01/24								03/31/24

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

04/30/24

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
408 - Sunrise Vista													
1	L	S							(942.89)		(942.89)		(942.89)
2	S	S		V	997.00	3,332.00	-		1,659.75	-	4,991.75	400.00	4,591.75
TOTALS:						3,332.00	-	-	716.86	-	4,048.86	400.00	3,648.86

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Payment on bad debt									
2	Intent to Vacate	12/05/23								4/1/2024

409 - Andalusia													
1	R	B					-		162.00		162.00		162.00
2	L	K		V	1,161.00	(0.08)	-		662.00		661.92	599.00	62.92
TOTALS:						(0.08)	-	-	824.00	-	823.92	599.00	224.92

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Adjustment to previous month write off									
2	Intent to Vacate	03/01/24								03/31/24

414 - Redwood													
1	S	M		D	1,500.00	248.00	-		194.00		442.00	430.00	12.00
TOTALS:						248.00	-	-	194.00	-	442.00	430.00	12.00

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Death/Power of Atty	03/21/24	Posted							04/12/24

423 - Mesa Gardens													
1	R	W							(150.00)		(150.00)		(150.00)
2	C	M		V	1,025.00	7,109.50	-	-	755.00		7,864.50	600.00	7,264.50
TOTALS:						7,109.50	-	-	605.00	-	7,714.50	600.00	7,114.50

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Payment on bad debt									
2	Notice to pay or quit	1/9/2024	Posted and Hand Delivered	1/22/2024	2/7/2024	N		N/A	N/A	4/12/2024

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End:

04/30/24

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
425a - Sequoia													
1	M	W		E	1,175.00	22,071.00			177.00	1,717.50	23,965.50	800.00	23,165.50
2	M	I		E	975.00	12,257.19			500.00	2,162.00	14,919.19	100.00	14,819.19
3	C	O		E	925.00	20,269.00			177.00	1,827.50	22,273.50	1,445.00	20,828.50
4	B	T		E	800.00	14,377.00			4,690.00	1,245.00	20,312.00	800.00	19,512.00
5	K	D		E	800.00	25,167.00			900.00	1,430.00	27,497.00	400.00	27,097.00
6	V	I		E	925.00	46,008.51			900.00	1,355.00	48,263.51	519.00	47,744.51
7	M	S		E	925.00	19,807.00			1,705.00	1,717.50	23,229.50	400.00	22,829.50
TOTALS:						159,956.70	-	-	9,049.00	11,454.50	180,460.20	4,464.00	175,996.20

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Notice to pay or quit	12/04/23	posted	01/02/24	01/17/24	Y		02/29/24	Turned in keys to avoid lock out	03/29/24
2	Notice to pay or quit	12/04/23	posted	01/02/24	01/12/24	N		N/A	04/03/24	04/03/24
3	Notice to pay or quit	12/04/23	posted	01/02/24	01/12/24	Y		02/29/24	04/03/24	03/29/24
4	Notice to pay or quit	12/04/23	posted	01/02/24	01/17/24	N		N/A	N/A	01/25/24
5	Notice to pay or quit	12/04/23	posted	01/02/24	01/29/24	N		N/A	04/10/24	04/10/24
6	Notice to pay or quit	12/04/23	posted	01/02/24	01/19/24	N		N/A	04/03/24	04/03/24
7	Notice to pay or quit	12/15/23	posted	01/03/24	01/23/24	Y		02/29/24	N/A	04/14/24

434a - Third													
1	R	M							(112.00)		(112.00)		(112.00)
TOTALS:						-	-	-	(112.00)	-	(112.00)	-	(112.00)

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Payment on bad debt									

437 - Sunset Gardens													
1	M	D					-		(100.00)		(100.00)		(100.00)
TOTALS:						-	-	-	(100.00)	-	(100.00)	-	(100.00)

Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date	Vacate Date
1	Payment on bad debt									

Housing Authority County of San Bernardino

COLLECTION WRITE-OFFS - Authority Owned Portfolio

Month End: 04/30/24

Item #	Last Name	First Name	ID No.	REASON	MONTHLY RENT	UNPAID RENT (*)	CONC. REVERSAL	UNPAID MISC (*)	MAINT. FEES	LEGAL FEES	TOTAL OWED	LESS DEPOSIT	NET DUE
467 - Hillcrest													
1	S	D		E	627.00	5,640.00			3,175.00	1,230.00	10,045.00	638.00	9,407.00
TOTALS:						5,640.00	-	-	3,175.00	1,230.00	10,045.00	638.00	9,407.00
Item #	Type of Notice	Date Notice Served	Posted or Hand Delivered	Date File Sent to Attorney	Date Attorney Filed in Court	Response Filed by Tenant (Y or N)		Court Date	Lock Out Date		Vacate Date		
1	Notice to pay or quit	08/14/23	Posted	08/30/23	09/20/23	N		N/A	N/A		04/16/24		

ALL PROPERTY TOTALS:						199,129.52	-	205.00	23,997.41	15,824.50	239,156.43	14,995.00	224,161.43
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Submitted by: _____

Date: _____

Reviewed by: _____

Date: _____

*Reasons: E=Evictions S=Skip V=Voluntary T=Terminated Tenancy **Unpaid Misc: D=Deceased Stipulated agreements for rent, maintenance charges, late charges, etc. 273