Amended: August 6, 2026

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
August 11, 2026, 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 August 11, 2026.
(Page 1)

5) Receive the board building presentation for August 11, 2026, an overview on the Housing Authority of the County of San Bernardino's Authority Owned Portfolio.
(Page 2)

6) Approve a contract with the San Bernardino County Office of Homeless Services to implement a time-limited transitional workforce housing program for up to four units at Echo Apartments for the period of August 17, 2026, through June 30, 2029.
(Pages 3-33)

7) Adopt Resolution No. 235 approving revisions to the Administrative Plan governing the Housing Authority of the County of San Bernardino's rental assistance programs.
(Pages 34-143)

8) Approve Amendment No. 2 to Contract No. PC1297, effective October 1, 2026, with Potomac Partners DC increasing the current contract by $156,000 for a total amount not to exceed $780,000 through September 30, 2027.
(Pages 144-149)

CONSENT CALENDAR

APPROVAL OF CONSENT ITEMS: 9-10

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 July 14, 2026.
(Pages 150-155)

10) Approve and file agency-wide financial statements through March 2026. (Pages 156-158)

CLOSED SESSION

11) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: Executive Director

12) CONFERENCE WITH LABOR NEGOTIATOR
Pursuant to Gov't Code Section 54957.6
Agency designated representatives: Fred Galante, General Counsel
Unrepresented employee: Maria Razo, Executive Director

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

August 11, 2026

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

SUBJECT
Executive Director's Report for August 11, 2026

RECOMMENDATION(S)
Receive the Executive Director's Report for August 11, 2026.
(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
There is no financial impact to the Housing Authority of the County of San Bernardino (HACSB) 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

ITEM ATTACHMENTS
Not applicable

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on July 23, 2026.

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

August 11, 2026

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

SUBJECT
Board Building Presentation for August 11, 2026

RECOMMENDATION(S)
Receive the board building presentation for August 11, 2026, an overview on the Housing Authority of the County of San Bernardino's Authority Owned Portfolio.
(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
There is no financial impact to the Housing Authority of the County of San Bernardino (HACSB) 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 overview of HACSB's Authority Owned Portfolio.

PROCUREMENT
Not applicable

ATTACHMENTS
Not applicable

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on July 23, 2026.

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

August 11, 2026

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

SUBJECT
Contract with San Bernardino County Office of Homeless Services for Transitional Housing at Echo Apartments

RECOMMENDATION(S)
1. Approve a contract with the San Bernardino County Office of Homeless Services to implement a time-limited transitional workforce housing program for up to four units at Echo Apartments for the period of August 17, 2026, through June 30, 2029.
2. Approve and direct the Executive Director to execute and deliver the contract to San Bernardino County Office of Homeless Services and, upon consultation with Legal Counsel, approve any non-substantive revisions necessary to complete this transaction.

(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 #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 contract between San Bernardino County Office of Homeless Services (OHS) and Housing Authority of the County of San Bernardino (HACSB) will potentially result in revenue for the property totaling $623,511.79.

BACKGROUND INFORMATION
OHS has been allocated funding under the State of California Homeless Housing, Assistance and Prevention Round Three (HHAP-3) and Round Four (HHAP-4) Program Youth Set-Aside. OHS desires to collaborate with HACSB to designate four units for transitional workforce housing at our 38-unit property known as Echo Apartments located at 505 East Rialto Avenue in San Bernardino.

Per the scope of work in the contract, HACSB shall provide time-limited transitional workforce housing for eligible individuals or families that are homeless or at risk of homelessness with at least one member that is aged 18-24 or families with at least one member that is between 12-24 years of age at the time of enrollment. The program is designed to support participants in securing and maintaining stable housing.

This program will operate as a structured, workforce-oriented transitional housing model designed to stabilize households, increase income, and support transitions to permanent housing for period of 24-months. OHS will provide case management for individuals or families participating in the program. The case management will include the coordination of community-based services by a professional team to ensure individuals receive quality support tailored to their unique situation to help them progress towards stability and recovery. In addition, it can be defined as collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates the options and services required to meet a client's overall housing needs.

Under this contract, HACSB will provide the residential units at our Echo Apartments as part of this partnership with OHS. This contract will allow HACSB and OHS to collaboratively work together in support of the transitional housing program. OHS and HACSB will continue to review, monitor, and evaluate program outcomes to ensure adherence to requirements of the contract.

PROCUREMENT
Not applicable

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on July 23, 2026.

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY

Contract Number

SAP Number

Office of Homeless Services

Department Contract Representative	Marcus Dillard
Telephone Number	909-501-0610
Contractor	Housing Authority of the County of San Bernardino
Contractor Representative	Rishad Mitha
Telephone Number	909-332-6315
Contract Term	September 1, 2026 – June 30, 2029
Original Contract Amount	$623,511.79
Amendment Amount	
Total Contract Amount	$623,511.79
Cost Center	
Grant Number (if applicable)	

IT IS HEREBY AGREED AS FOLLOWS*:*

WHEREAS, San Bernardino County has been allocated funds by the State of California, Homeless Coordinating and Financing Council in the Business, Consumer and Housing Agency, hereinafter called State, under the Homeless Housing, Assistance and Prevention Round 3 (HHAP-3) and Round 4 (HHAP-4) Program Youth Set-Aside authorized by AB 140 (Health & Safety Code § 50218.6, et seq.), which was signed into law by Governor Gavin Newsom on July 19, 2021; and

WHEREAS, the San Bernardino County (County) Office of Homeless Services, hereinafter referred to as "OHS," desires to assist individuals age 18-24 that are homeless, at risk of homelessness or families that are homeless, at risk of homelessness with at least one member that is between 12-24 years of age, at time of enrollment, in securing and maintaining stable housing with the HHAP-3 and HHAP-4 Program Youth Set-Aside; and

WHEREAS, OHS has determined that the Housing Authority of the County of San Bernardino (HACSB), hereinafter referred to as "Contractor", operates and/or oversees affordable housing units within the County, including units located at 505 East Rialto Avenue, San Bernardino ("Echo Apartments or "Property"); and

WHEREAS, OHS and HACSB desire to collaborate to implement a time-limited transitional "workforce housing" program at Echo Apartments to assist homeless individuals and families in stabilizing housing, increasing income, and transitioning to permanent housing with the HHAP-3 and HHAP-4 Program Youth Set-Aside; and

WHEREAS, the County desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

NOW, THEREFORE, the County and Contractor mutually agree to the following terms and conditions:

TABLE OF CONTENTS

A. DEFINITIONS

A.1 Case Management (CM): The coordination of community-based services by a professional team to ensure individuals receive quality support tailored to their unique setbacks or ongoing challenges, helping them progress toward stability and recovery. In addition, it can be defined as a collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates the options and services required to meet a client's overall housing needs.

A.2 Client: An individual or family experiencing homelessness, or at imminent risk of homelessness, who is eligible for and receives services or housing assistance funded through the Homeless Housing, Assistance and Prevention (HHAP) Program, including HHAP-3 and HHAP-4.

A.3 Continuum of Care (CoC): The group organized to carry out the responsibilities required under this part and that is composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate.

A.4 Continuum of Care (CoC) Service Providers: A network of Community Based Organizations partnered with the SBC CoC to provide services to homeless individuals and families.

A.5 Coordinated Entry System (CES): The CES is a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program participant intake, assessment, and provision of referrals. In order to satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.

A.6 Echo Apartments: Multifamily residential housing development located at 505 East Rialto Avenue, San Bernardino, California, owned and/or operated by or in partnership with the Housing Authority of the County of San Bernardino (HACSB), and managed in accordance with its established Leasing Criteria Guidelines and applicable federal, state, and local housing laws. For purposes of this agreement, Echo Apartments refers specifically to the residential units designated by HACSB for participation in the Transitional Workforce Housing.

A.7 Homeless: The same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019:

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or

(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, ***e.g.,*** family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories 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; or

(4) Any individual or family who:

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

(ii) Has no other residence; and

(iii) Lacks the resources or support networks, ***e.g.,*** family, friends, and faith-based or other social networks, to obtain other permanent housing.

A.8 Homeless Housing, Assistance and Prevention Program (HHAP): State of California block grant program that provides one-time flexible funding to cities, counties, and Continuums of Care to support regional coordination and expand or develop local capacity to address homelessness. Its goals are to prevent and reduce homelessness, help move individuals and families into permanent housing, and support homeless services in a locally planned, evidence-based way. HHAP was first authorized by California legislation (AB 101) and funds are distributed to jurisdictions to implement strategies that address immediate homelessness challenges and improve long-term housing stability.

A.9 HHAP Program County Youth Set-Aside: Designated portion of California's HHAP funding allocated specifically to counties to support housing and services for youth experiencing or at risk of homelessness, including unaccompanied minors and transition-age youth. These funds are used to develop and expand youth-focused prevention, shelter, rapid rehousing, and supportive services to promote housing stability and prevent long-term homelessness among young people.

A.10 Homeless Management Information System (HMIS): A web-enabled database used by homeless service providers to capture information about the San Bernardino County persons they serve. The database tracks services provided to homeless individuals and families by the collaborative agencies. Services tracked include: emergency, transitional, and permanent housing bed usage, employment, veteran's status, as well as referrals to health and human service providers, or other relevant supportive service agencies. As required by the U.S. Department of Housing and Urban Development, the Continuum of Care utilizes the captured information to make informed decisions in planning, homeless advocacy, and policy development that result in target services. HMIS also includes that use of a comparable database by a victim services provider or legal services provider that is permitted under Part 576 of Title 24 of the Code of Federal Regulations.

A.11 **Homeless Youth:** An unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness, as defined in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act [42 U.S.C. Sec. 11434a(2)]; includes unaccompanied youth who are pregnant or parenting.

A.12 **Housing Authority of the County of San Bernardino (HACSB):** Administers affordable housing and rental assistance programs for low-income households throughout San Bernardino County, California. Acting through its employees, agents and contractors, it operates programs funded primarily by the U.S. Department of Housing and Urban Development (HUD)—including public housing and rental subsidy programs such as Section 8 (Housing Choice Vouchers)—to help eligible residents, particularly seniors, individuals with disabilities, veterans, and families with children, obtain safe, stable, and affordable housing. HACSB also provides other community support services and works with local partners to advocate for housing resources and prevent homelessness in the county.

A.13 **Housing First:** An approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

A.14 **Housing Search and Placement:** Services to assist clients to locate, secure, and navigate the rental market. Housing Search and Placement activities may include, but are not limited to, unit identification, unit inspection, determining rent reasonableness, contracts, advocating for households, land/lord/ tenant mediation, and any other housing requirements.

A.15 **Office of Homeless Services (OHS):** The lead agency for the San Bernardino County Continuum of Care (SBC CoC). The SBC CoC coordinates services with the San Bernardino County Homeless Partnership consisting of community and faith-based organizations, educational institutions, non-profit organizations, private industry, and Federal, State and local governments.

A.16 **Program:** The Homeless Housing, Assistance and Prevention Program, including both Round 3 (HHAP-3), established pursuant to Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, and Round 4 (HHAP-4), established pursuant to Chapter 5 of Part 1 of Division 31 of the Health and Safety Code. References to "HHAP," "HHAP-3," or "HHAP-4" throughout this document shall be construed to mean the applicable round of the Program.

A.17 **Transitional Age Youth (TAY):** People typically between the ages of 18 and 24 who are transitioning from adolescence into adulthood. This term is commonly used in housing, to describe youth who may need additional support as they move toward independent living, education, employment, and stable housing, particularly those who have experienced foster care, homelessness, justice involvement, or other system involvement.

A.18 **Transitional Housing (TH):** Designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing. TH may be used to cover the costs of up to 24 months of housing with accompanying supportive services.

A.19 **United States Department of Housing and Urban Development (HUD):** A Federal agency established in 1965, HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships, particularly with faith-based and community organizations, that leverage resources and improve HUD's ability to be effective on the community level.

B. CONTRACTOR RESPONSIBILITIES

B.1 Contractor shall be in compliance with all applicable Federal, State, and local laws, required to perform this Contract. Contractor shall be required to repay the County in the event of non-compliance with any applicable law if the County is required to repay any amount of funds to the State as a result of Contractor's non-compliance.

B.2 Contractor and its Subcontractors shall perform the work in accordance with Federal, State and local housing and building codes, as applicable.

B.3 The project description for services to be provided by Contractor under this Contract are identified in **EXHIBIT 1 – SCOPE OF WORK.**

C. GENERAL CONTRACT REQUIREMENTS

C.1 Recitals

The recitals set forth above are true and correct and incorporated herein by this reference.

C.2 Contract Amendments

Contractor agrees any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original Contract and approved by the person(s) authorized to do so on behalf of Contractor and County.

C.3 Contract Assignability

Without the prior written consent of the County, the Contract is not assignable by Contractor either in whole or in part.

C.4 Contract Exclusivity

This is not an exclusive Contract. The County reserves the right to enter into a contract with other contractors for the same or similar services. The County does not guarantee or represent that the Contractor will be permitted to perform any minimum amount of work, or receive compensation other than on a per order basis, under the terms of this Contract.

C.5 Attorney's Fees and Costs

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney's fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney's fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

C.6 Background Checks for Contractor Personnel

Contractor, or its approved subcontractor per Section C.36, shall ensure that its personnel (a) are authorized to work in the jurisdiction in which they are assigned to perform Services; (b) do not use legal or illegal substances in any manner which will impact their ability to provide Services to the County; and (c) are not otherwise disqualified from performing the Services under applicable law. If requested by the County and not in violation of applicable law, Contractor, or its approved subcontractor, shall conduct a background check, at Contractor's sole expense, on all its personnel providing Services. If requested by the County, Contractor, or its approved subcontractor, shall provide the results of the background check of each individual to the County. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process but must, at a minimum, have been performed within the preceding 12-month period. Contractor personnel who do not meet the County's hiring criteria, in County's sole discretion, shall not be assigned to work on County property or Services, and County shall have the right, at its sole option, to refuse access to any Contract personnel to any County facility.

C.7 Change of Address

Contractor shall notify the County in writing, of any change in mailing address within ten (10) business days of the change.

C.8 Choice of Law

This Contract shall be governed by and construed according to the laws of the State of California.

C. 9 Compliance with County Policy

In performing the Services and while at any County facilities, Contractor personnel (including subcontractors) shall (a) conduct themselves in a businesslike manner; (b) comply with the policies, procedures, and rules of the County regarding health and safety, and personal, professional and ethical conduct; (c) comply with the finance, accounting, banking, Internet, security, and/or other applicable standards, policies, practices, processes, procedures, and controls of the County; and (d) abide by all laws applicable to the County facilities and the provision of the Services, and all amendments and modifications to each of the documents listed in subsections (b), (c), and (d) (collectively, "County Policies"). County Policies, and additions or modifications thereto, may be communicated orally or in writing to Contractor or Contractor personnel or may be made available to Contractor or Contractor personnel by conspicuous posting at a County facility, electronic posting, or other means generally used by County to disseminate such information to its employees or contractors. Contractor shall be responsible for the promulgation and distribution of County Policies to Contractor personnel to the extent necessary and appropriate.

County shall have the right to require Contractor's employees, agents, representatives and subcontractors to exhibit identification credentials issued by County in order to exercise any right of access under this Contract.

C.10 Confidentiality

Contractor shall protect from unauthorized use or disclosure the names and other identifying information concerning persons receiving Services pursuant to this Contract, except for statistical information not identifying any participant. Contractor shall not use or disclose any identifying information for any purpose other than carrying out the Contractor's obligations under this Contract, except as may otherwise be required by law. This provision will remain in force even after the termination of the Contract.

C.11 Primary Point of Contact

Contractor will designate an individual to serve as the primary point of contact for the Contract. Contractor or designee must respond to County inquiries within two (2) business days. Contractor shall not change the primary contact without written acknowledgement to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.

C.12 County Representative

The Chief of Homeless Services or his/her designee shall represent the County in all matters pertaining to the services to be rendered under this Contract, including termination and assignment of this Contract, and shall be the final authority in all matters pertaining to the Services/Scope of Work by Contractor. If this contract was initially approved by the San Bernardino County Board of Supervisors, then the Board of Supervisors must approve all amendments to this Contract, unless otherwise delegated.

C.13 Damage to County Property

Contractor shall repair, or cause to be repaired, at its own cost, all damages to County vehicles, facilities, buildings or grounds caused by the willful or negligent acts of Contractor or its employees or agents. Such repairs shall be made immediately after Contractor becomes aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Contractor fails to make timely repairs, the County may make any necessary repairs. The Contractor, as determined by the County, shall repay all costs incurred by the County for such repairs, by cash payment upon demand, or County may deduct such costs from any amounts due to the Contractor from the County, as determined at the County's sole discretion.

County shall repair, or cause to be repaired, at its own cost, all damages to the Echo Apartments, facilities, buildings or grounds, caused by the willful or negligent acts of County or its employees or clients. Such repairs shall be made immediately after County becomes aware of such damage, but in no event later than thirty (30) days after the occurrence. If the County or its clients cause damages to the Echo Apartments, facilities or grounds, the County shall pay the reasonable, documented costs to repair the property to its pre-damaged condition excluding any betterment or upgrades beyond the pre-damaged condition. The Contractor shall give prompt written notices describing the damage and provide reasonable documentation, including photographs, estimates, invoices, and receipts. Payment of undisputed amounts shall be made within 60 days after the County's receipt of the documents substantiating the repair costs. Any payment obligation under this section is limited to reasonable, actually incurred and properly documented costs and shall not include consequential, special, or exemplary amounts, or any betterment.

C. 14 Debarment and Suspension

Contractor certifies that neither it nor its principals or subcontractors is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. (See the following United States General Services Administration's System for Award Management website https://www.sam.gov). Contractor further certifies that if it or any of its subcontractors are business entities that must be registered with the California Secretary of State, they are registered and in good standing with the Secretary of State.

C.15 Drug and Alcohol-Free Workplace

In recognition of individual rights to work in a safe, healthful and productive workplace, as a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

C.15.1 Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.

C.15.2 Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.

C.15.3 Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

The Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive workplace and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract, and any other Contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

C.16 Duration of Terms

This Contract, and all of its terms and conditions, shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties, provided no such assignment is in violation of the provisions of this Contract.

C.17 Employment Discrimination

During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VI and Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

C.18 Environmental Requirements

In accordance with County Policy 11-08, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to the County whenever practicable.

To assist the county in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report the County's environmentally preferable purchases. Contractor must also be able to report on environmentally preferable goods and materials used in the provision of their service to the County, utilizing a County approved form.

C.19 Improper Influence

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of the Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of the Contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

C.20 Improper Consideration

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate this Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

C.21 Informal Dispute Resolution

In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

C.22 Legality and Severability

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

C.23 Licenses, Permits and/or Certifications

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses, permits and/or certifications in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses, permits and/or certifications. Failure to maintain a required license, permit and/or certification may result in immediate termination of this Contract.

C.24 Material Misstatement/Misrepresentation

If during the course of the administration of this Contract, the County determines that Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.

C.25 Mutual Covenants

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of "good faith" and "fair dealing".

C.26 Nondisclosure

Contractor and County shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either: (1) provided by the County to Contractor or an agent of Contractor or otherwise made available to Contractor or Contractor's agent in connection with this Contract; or, (2) acquired, obtained, or learned by Contractor or an agent of Contractor in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialize and includes, but is not limited to, technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.

C.27 Notice of Delays

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.

C.28 Ownership of Documents

All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to the Contract shall be considered property of the County upon payment for services (and products, if applicable). All such items shall be delivered to County at the completion of work under the Contract, subject to the requirements of Section IV–Term of the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.

C.29 Reserved

C.30 Air, Water Pollution Control, Safety and Health
Contractor shall comply with all air pollution control, water pollution, safety and health ordinances and statutes, which apply to the work performed pursuant to this Contract.

C.31 Records
Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

All records relating to the Contractor's personnel, consultants, subcontractors, Services/Scope of Work and expenses pertaining to this Contract shall be kept in a generally acceptable accounting format. Records should include primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must comply with the appropriate Office of Management and Budget (OMB) Circulars, which state the administrative requirements, cost principles and other standards for accountancy.

C.32 Relationship of the Parties
Nothing contained in this Contract shall be construed as creating a joint venture, partnership, or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.

C.33 Release of Information
No news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with County may be made or used without prior written approval of the County.

C.34 Representation of the County
In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the San Bernardino County.

C.35 Strict Performance
Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.

C.36 Subcontracting
Contractor shall obtain County's written consent, which County may withhold in its sole discretion, before entering into Contracts with or otherwise engaging any subcontractors who may supply any part of the Services to County. At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of proposed subcontractor personnel. Notwithstanding the foregoing, County acknowledges and hereby pre-approves the contract between Contractor and Beacon Property Management to provide leasing and management services for the units at the Property for the Transitional Workforce Housing Program. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Section G. All approved subcontractors shall be subject to the provisions of this Contract applicable to Contractor Personnel.

For any subcontractor, Contractor shall:

36.1 Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions; and

36.2 Ensure that the subcontractor follows County's reporting formats and procedures as specified by County.

36.3 Include in the subcontractor's subcontract substantially similar terms as are provided in Sections B. Contractor Responsibilities and C. General Contract Requirements.

Upon expiration or termination of this Contract for any reason, County will have the right to enter into direct Contracts with any of the Subcontractors. Contractor agrees that its arrangements with Subcontractors will not prohibit or restrict such Subcontractors from entering into direct Contracts with County.

C. 37 Subpoena

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Goods or Services provided under this Contract is served upon Contractor or County, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and County further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise provided herein in connection with defense obligations by Contractor for County.

C.38 Termination for Convenience

The County reserves the right to terminate the Contract, for its convenience, with or without cause, with a thirty (30) day written notice of termination. Such termination may include all or part of the services described herein. Upon such termination, payment will be made to the Contractor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

Upon such termination, payment will be made to HACSB for services rendered and expenses. Furthermore, OHS will facilitate the relocation of its clients from the property during the notice period. Upon receipt of termination notice, HACSB shall promptly begin the eviction process unless the notice directs otherwise.

C.39 Time of the Essence

Time is of the essence in performance of this Contract and of each of its provisions.

C.40 Venue

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, San Bernardino County, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

C.41 Conflict of Interest

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the County. Contractor shall make a reasonable effort to prevent employees, Contractor, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. In the event the County determines a conflict of interest situation exists, any increase in costs, associated with the conflict of interest situation, may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

C.42 Former County Administrative Officials

Contractor agrees to provide, or has already provided information on former San Bernardino County administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

C.43 Disclosure of Criminal and Civil Procedures

The County reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in a termination of the Contract. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information discovered may result in Contract termination.

Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

C.44 Reserved

C.45 Reserved

C.46 Iran Contracting Act

IRAN CONTRACTING ACT OF 2010, Public Contract Code sections 2200 et seq. (Applicable for all Contracts of one million dollars ($1,000,000) or more). In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205.

C.47 Reserved

C.48 Reserved

C. 49 Executive Order N-6-22 Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine (https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions), as well as any sanctions imposed under state law (https://www.dgs.ca.gov/OLS/Ukraine-Russia). The EO directs state agencies and their contractors (including by agreement or receipt of a grant) to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should it be determined that Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. Contractor shall be provided advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the County.

C.50 Reserved

C.51 Reserved

C.52 Reserved

C.53 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements-Representation (FAR 52.203-18).

In compliance with Federal Acquisition Regulation 52.203-18, Contractor shall not require employees or subcontractors of Contractor seeking to report waste, fraud, or abuse, to sign internal confidentiality agreements or statement prohibiting or otherwise restricting such employees or subcontractors from lawfully reporting such waste, fraud or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information. To the extent Contractor has required employees or subcontractors to sign internal confidentiality agreements or statements in the past, Contractor shall notify current employees and subcontractors that those prohibitions and restrictions are no longer in effect. Contractor shall include this clause in all subcontracts.

C.54 Use of Biobased Products (FAR 52.223-1)

Contractor certifies that to the extent biobased products are purchased using Contract funds, Contractor shall comply with Federal Acquisition Regulation 52.223-1.

C.55 Service Contract Labor Standards (FAR 52.222-52, 52.222-53, 22.1003-4)
To the extent applicable, Contractor agrees to comply with and to provide any information necessary for the County to comply with Federal Acquisition Regulations 52.222-52, 52.222-53, and 22.1003-4.

C.56 Reserved

D. TERM OF CONTRACT

This Contract is effective as of September 1, 2026 and expires June 30, 2029 but may be terminated earlier in accordance with provisions of this Contract. The term of this Contract may be extended for two (2) additional one (1) year periods by mutual agreement of the parties.

OHS may terminate the Contract immediately if the HHAP County Youth Set-Aside funds are not available to OHS, or as otherwise provided in this Contract. Reference Section C.38, for mutually agreed upon terms of termination.

E. COUNTY RESPONSIBILITIES

E.1 OHS shall administer HHAP County Youth Set-Aside funding for rental subsidies and supportive services. OHS is responsible for HHAP Program compliance and will make HACSB aware of any requirements that may require shared responsibilities.

E.2 Referrals will come through the coordination between OHS, HACSB and the Coordinated Entry System (CES) to ensure consistent prioritization and a streamlined access point.

E.3 OHS will provide case management and housing stabilization services to individuals and families signing leases with Echo Apartments.

E. 4 OHS agrees that client participation shall be time-limited, with an anticipated duration of up to twelve months with a maximum stay of twenty-four (24) months. OHS will determine a mutually agreeable timeframe for end-of-lease notice for tenants exiting the Transitional Workforce Housing Program.

E. 5 Provide HACSB with a Primary point of contact.

E. 6 Develop, within thirty (30) days of enrollment, an Individual Housing Stability & Workforce Plan (ISP) for each household that includes:

1) Income and employment goals;
2) Benefits enrollment;
3) Budgeting and savings goals;
4) Childcare/transportation planning;
5) Permanent housing exit strategy.

E.7 Conduct monthly case management sessions and quarterly housing progress reviews.

E.8 Remit rental subsidy payments to HACSB in accordance with agreed payment schedules. OHS will provide a rental subsidy form which includes the tenant rental share per lease agreement. This will include expenses covered by OHS for tenant deposits, application fees, and rent subsidy. The Client is responsible for paying 30 percent of their gross monthly income toward rent and OHS will pay the difference between the client's rent contribution and the approved monthly rent, including eligible utility costs up to 70 percent. If the Client has no income, OHS will pay 100 percent of the rent and utilities.

E.9 OHS case manager will maintain required documentation and data reporting in HMIS.

E.10 Support clients throughout the application and housing search process through case management.

E.11 Ensure that transportation or other necessary supports needed for Clients to attend required appointments are coordinated or provided when required.

E.12 Report client housing status with HACSB regarding client acceptance to Echo Apartments and exits to permanent housing.

E.13 Enter data about clients and families receiving services into HMIS.

F. FISCAL PROVISIONS

F.1 The maximum amount of funding provided by OHS to HACSB using HHAP Round 3 & HHAP Round 4 Program County Youth Set-Aside funding shall not exceed $623,511.79 and shall be subject to availability of funds to OHS. The consideration to be paid to HACSB by OHS, as provided herein, shall be full payment for all expenses incurred in connection with client lease agreements with Echo Apartments for the Transitional Workforce Housing Program. Such costs and expenses may include, but are not limited to, monthly rent, rental subsidies, tenant deposits, application fees, and any other eligible housing-related charges authorized by the Program.

F.2 Contractor shall accept all payments from County via electronic funds transfer (EFT). Contractor hereby instructs County that any amounts payable to Contractor under this Agreement shall be paid by County to Beacon Property Management, a designated third-party payee. Payments made by County to the third-party payee under this section shall satisfy County's payment obligations to Contractor under this Agreement to the extent of the amounts so paid. The designated third-party payee may only be changed by giving notice as specified in Section J. Contractor remains solely responsible for addressing and resolving any disputes, chargebacks, or allocations as between Contractor and the designated third-party payee.

F.3 County is exempt from Federal excise taxes and no payment shall be made for any personal property taxes levied on Contractor or on any taxes levied on employee wages. The County shall only pay for any State or local sales or use taxes on the services rendered or equipment and/or parts supplied to the County pursuant to the Contract.

G. INDEMNIFICATION AND INSURANCE REQUIREMENTS

G.1 Indemnification

Each party shall indemnify, defend (with counsel reasonably approved by the other party), and hold harmless the other party and its authorized officers, employees, agents, and volunteers from and against any and all claims, actions, losses, damages, and/or liability arising out of or related to this Contract from any cause whatsoever, including the acts, errors, or omissions of any person, and for any costs or expenses incurred by the indemnified party on account of any claim, except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of the indemnified parties and applies to the indemnified party's "active" as well as "passive" negligence but does not apply to the indemnified party's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

G.2 Additional Insured

All policies, except for Worker's Compensation, Errors and Omissions and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

G.3 Waiver of Subrogation Rights

The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

G.4 Policies Primary and Non-Contributory

All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

G.5 Severability of Interests

The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

G.6 Proof of Coverage

The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

G.7 Acceptability of Insurance Carrier

Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

G.8 Deductibles and Self-Insured Retention

Any and all deductibles or self-insured retentions in excess of $10,000 shall be declared to and approved by Risk Management.

G.9 Failure to Procure Coverage

In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

G.10 Insurance Review

Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

G.11 The Contractor and County agree to provide insurance set forth in accordance with the requirements herein. If either party uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, such party agrees to amend, supplement or endorse the existing coverage to do so.

Without in any way affecting the indemnity herein provided and in addition thereto, the parties shall secure and maintain throughout the contract term the following types of insurance with limits as shown; provided that either party may provide proof of coverage under the policies below through an authorized self-insurance risk management pool:

G.11.1 Workers' Compensation/Employer's Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with $250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

G.11.2 Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars ($1,000,000), per occurrence. The policy coverage shall include:

a. Premises operations and mobile equipment.
b. Products and completed operations.
c. Broad form property damage (including completed operations).
d. Explosion, collapse and underground hazards.
e. Personal injury.
f. Contractual liability.
g. $2,000,000 general aggregate limit.

G.11.3 Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars ($1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars ($2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

G.11.4 Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

G.11.5 Professional Liability – Professional Liability Insurance with limits of not less than one million ($1,000,000) per claim and two million ($2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance – Errors and Omissions Liability Insurance with limits of not less than one million ($1,000,000) and two million ($2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million ($1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the state of the contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

G.11.6 Reserved

G.11.7 **Cyber Liability Insurance** - Cyber Liability Insurance with limits of no less than $1,000,000 for each occurrence or event with an annual aggregate of $2,000,000 covering privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved County entities and cover breach response cost as well as regulatory fines and penalties.

G.11. Reserved

H. RIGHT TO MONITOR AND AUDIT

H.1 The County, State and Federal government shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation, in any auditing or monitoring conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by the County.

H.2 All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of five years after final payment under this Contract or until all pending County, State and Federal audits are completed, whichever is later. Records of the HACSB, which do not pertain to the services under this contract may be subject to review or audit unless provided in this or another agreement. Technical program data shall be retained locally and made available to OHS' reasonable advance written notice or turned over HACSB.

H.3 HACSB shall cooperate with OHS in the implementation, monitoring, and evaluation of this contract and comply with any and all reporting requirements established by this contract.

I. CORRECTION OF PERFORMANCE DEFICIENCIES

I.1 Failure by Contractor or County to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.

I.2 In the event of a non-cured breach, Contractor or County, as applicable, may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

a. Afford the breaching party thereafter a time period within which to cure the breach, which period shall be established at the sole discretion of non-breaching party; and/or
b. If Contractor breach, discontinue reimbursement to Contractor for and during the period in which Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
c. If Contractor breach, withhold funds pending duration of the breach; and/or
d. If Contractor breach, offset against any monies billed by Contractor but yet unpaid by County those monies disallowed pursuant to Item "b" of this paragraph; and/or
e. Terminate this Contract immediately and be relieved of the payment of any consideration due to Contractor after the date of termination. In the event of such termination, the County may proceed with the work in any manner deemed proper by the County.

J. NOTICES

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

San Bernardino County
Office of Homeless Services
560 E. Hospitality Lane, Suite 200
San Bernardino, CA 92408
Email: Marcus.Dillard@hss.sbcounty.gov

Housing Authority of the County of San Bernardino
715 E. Brier Drive
San Bernardino, CA 92408
Email: mgrazo@hacsb.com

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

K. ENTIRE AGREEMENT

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will.

L. ELECTRONIC SIGNATURES

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

IN WITNESS WHEREOF, San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

SAN BERNARDINO COUNTY

► ______________________________

Dawn Rowe, Chair, Board of Supervisors

Dated: ______________________________

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the San Bernardino County

By ______________________________
Deputy

Housing Authority of the County of San Bernardino
____
(Print or type name of corporation, company, contractor, etc.)

By ► ______________________________
(Authorized signature - sign in blue ink)

Name Maria Razo
(Print or type name of person signing contract)

Title Executive Director, Housing Authority of the County of San Bernardino
(Print or Type)

Dated: ______________________________

Address 715 E. Brier Drive
San Bernardino, CA 92408

____

FOR COUNTY USE ONLY

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by Department
► ____________	► ____________	► ____________
Suzanne Bryant, Deputy County Counsel		Marcus Dillard, Chief of Homeless Services
Date ____________	Date ____________	Date ____________

EXHIBIT 1

SCOPE OF WORK

HACSB shall provide time-limited transitional workforce housing at Echo Apartments for eligible homeless individuals aged 18-24 or families with at least one member that is between 12-24 years of age at the time of enrollment. The supportive services (including case management) shall be provided and funded by the San Bernardino County Office of Homeless Services through the County's Homeless Housing, Assistance and Prevention (HHAP) Program Youth Set-Aside allocation and shall support housing stabilization, income development, and transition to permanent housing in accordance with HHAP program requirements.

The program shall operate as a structured, workforce-orientated transitional housing model designed to stabilize households, increase income, and facilitate transition to permanent housing within a defined timeframe not to exceed twenty-four (24) months.

HACSB shall:

1. Provide OHS with a HACSB primary point of contact.

2. Provide OHS with a monthly report of current vacancies and upcoming vacancies at Echo Apartments for 2-bedroom, 3-bedroom, and 4-bedroom units. Funding will be provided from OHS for up to four (4) units. Funds will cover the monthly rent and move -in costs (to include application fees, security deposit and first month's rent).

3. Provide lease oversight and compliance to OHS clients signing with Echo Apartments.

4. Participate in coordinated intervention efforts prior to eviction proceedings, recognizing eviction as a last resort following documented stabilization efforts. However, proceeding with eviction will be at the discretion of HACSB.

Mutual Responsibilities:

1. OHS and HACSB agree to cooperate with any program evaluation efforts and compliance efforts associated with HHAP Program compliance, reference Section F.1., HACSB is responsible for leasing units at Echo Apartments which will require inspection by an OHS case manager before a tenant signs a lease agreement.

2. OHS and HACSB agree they will establish mutually satisfactory methods for the exchange of such information as may be necessary in order that each Party may perform its duties and functions under this agreement; and appropriate procedures to ensure all information is safeguarded from improper disclosure in accordance with applicable State and Federal laws and regulations.

3. Establish mutually satisfactory methods for problem resolution at the lowest possible level as the optimum, with a procedure to mobilize problem solving resolution up through the OHS and HACSB chains of command, as deemed necessary.

4. Develop and implement procedures and forms necessary to administer and document program referral, participation, compliance, and effectiveness.

5. Develop procedures for resolving grievances including specific steps and time limits for resolution.

6. Adhere to any Federal, State, and County applicable privacy-related policies pertaining to Personally Identifiable Information (PII). Upon discovery of any unauthorized use, Access or disclosure of PII, OHS and HACSB agree to report to each other's Compliance/Privacy Unit no later than one (1) business date upon the discovery of a potential breach. OHS and HACSB shall cooperate and provide information to assist with mitigating County risks and appropriate reporting requirements.

7. OHS and HACSB agree that rental subsidies provided under this program shall be treated as lawful, verifiable income consistent with Echo Apartments' guidelines (Attachment A).

8. OHS and HACSB agree that participating households shall pay a tenant portion of rent, which may be income-based. Reference Section E, 8.

9. OHS and HACSB shall establish written procedures for payment timelines, lease compliance intervention when needed prior to eviction proceedings. Evictions shall be considered a last resort following coordinated intervention efforts.

ATTACHMENT A

Echo Apartments

Leasing Criteria Guidelines

It is the policy of the Housing Authority of the County of San Bernardino, on behalf of Echo SB, LLC (Echo Apartments), to provide equal housing opportunity to all of its prospective and current residents. Echo Apartments does not discriminate in any form by any employee, based on race, color, religion, sex, national origin, familial status, handicap/disability, marital status, ancestry, sexual orientation, source of income, age, medical condition, gender, gender identity, gender expression, genetic information, citizenship, immigration status, primary language spoken, or based on any other arbitrary basis or any other class protected by federal, state or local law.

It is the company's intention that its policies, procedures, and practices will be discrimination-free, and carried out in strict compliance with all federal, state and local fair housing laws and regulations.

Provided below are the rental screening criteria for Echo Apartments.

OCCUPANCY GUIDELINES

All household members will be counted when determining the occupancy guidelines. In accordance with the State Department of Fair Employment and Housing guidelines, occupancy standards are two (2) persons per bedroom plus one (1) additional person for the unit. Additional occupants will be allowed for floor plans with a loft or a den or that have larger square footage. Occupancy standards for studio apartments are determined by the square footage of the apartment, based on local housing ordinances or the Uniform Housing code, depending on which code allows for a greater number of occupants. OHS will determine bedroom size applicability per occupancy standards when referring clients to HACSB.

FINANCIAL VERIFICATION PROCESS

1. Gross monthly income must meet or exceed 2.5 times the monthly rent of the desired apartment. Proof of income is required. All legal, verifiable sources of income, including but not limited to: employment, social security, retirement, dividends, interest, pensions, disability, distribution records, offer of employment, income tax returns, proof of ongoing income from a legal settlement, contract employment, government or other subsidy, or a divorce decree, or any other legal, verifiable income will be considered. If multiple residents are occupying the apartment, their combined income will be accepted.

2. Section 8 and VASH vouchers and other forms of rental assistance will be accepted and considered part of an applicant's income.

3. Source of income is lawful, verifiable income paid directly to a tenant or to a representative of a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state or local public assistance, and federal, state, or local housing subsidies, including, but not limited to, federal housing assistance vouchers issued under Section 8 and rental assistance from other non-profit organizations.

4. Income must be verifiable. Acceptable forms of verification include, but are not limited to, two (2) current consecutive pay stubs, two (2) current consecutive bank statements or bank statement printouts, most recent W-2, most recent tax returns, proof of income or housing assistance (from a government subsidy or other non-government source) or any other legal verifiable income source, or in the case of no verifiable income, proof of liquid assets equal to two and a half times the full lease term amount. A verified offer of employment will also be accepted as monthly income.

5. Applicants who do not meet the income requirements may obtain a guarantor who meets the guarantor qualifying guidelines.

6. For prospective residents with Section 8 vouchers, proof of income must meet or exceed 2 times the applicant's portion of the rent.

GUARANTOR GUIDELINES

1. Guarantor must complete an application and pay an Application Fee
2. Guarantor’s income may be used to qualify if the applicant does not meet the income requirements.
3. Guarantor’s monthly income must exceed three times the total amount of rent for the desired apartment plus guarantor’s own rent or mortgage payment.
4. Guarantors must meet the property’s credit approval standards.
5. Once approved, the guarantor is required to sign a Co-signer/Guarantor Addendum.

RENTAL HISTORY VERIFICATION

1. Current landlord references will be obtained. Previous landlords over the past five- year period will also be contacted. Landlord references will help determine rental history. A rental history that includes an outstanding balance due to the landlord, a money judgment for outstanding rent or damages, an eviction, a pending eviction, two or more late rent payments over a twelve (12) month period and/or two (2) or more checks with insufficient funds will result in denial of the application. COVID-19 rental debt, as defined by California law, is not considered and will not be the basis for denial of any application or used as a negative factor in evaluating any application.
2. Failure to maintain the property in a healthy, safe and sanitary condition or damage to the property beyond ordinary wear and tear will result in denial of the application.
3. A rental history that includes more than two (2) complaints, warning letters or notices for lease or rules violations will result in denial of the application.
4. If an applicant previously owned a home and does not have recent rental tenancies to verify, proof that the mortgage payment was paid on time will be required.
5. If an applicant lacks rental history, a guarantor or a security deposit of one full month’s rent will be required.

CREDIT REPORTING HISTORY

1. Bankruptcies: Applicants who have filed bankruptcy will be considered if they provide proof that the bankruptcy has been discharged and they have established a favorable credit history since the bankruptcy discharge. An additional security deposit amount will be required.
2. Foreclosures do not constitute grounds for denial on the sole basis of the foreclosure.
3. Tax Liens are grounds for denial
4. Outstanding Property Management Company or Landlord debt reflected on a Credit Report or confirmed through written verification is grounds for denial.
5. COVID-19 rental debt, as defined by California law, is not considered and will not be the basis for denial of any application or used as a negative factor in evaluating any application.
6. An eviction, reported on credit history or reported by the applicant’s landlord, is grounds for denial.
7. A poor credit history/credit payment history or lack of credit history will result in an additional security deposit. A “poor credit history” is defined as one where fifty percent (50%) or more of the accounts listed have a negative credit rating.

RENTERS INSURANCE

1. While it is not a requirement at this time, it is STRONGLY RECOMMENDED that all residents obtain and maintain evidence of liability insurance throughout the term of the lease, including renewal periods.

PET POLICY

Echo Apartments welcomes dogs and cats, if they meet the following criteria:

1. Proof of breed (dogs).

2. Proof of size (must not exceed 35 lbs.)

3. Limited to 2 animals per apartment.

4. Proof of Rabies, Distemper, Parvo, Bordetella vaccinations (dogs).

5. Proof of Rabies and FVRCP vaccinations (cats).

6. Pets must be currently licensed within the jurisdiction.

7. Pet deposit charged is $300, per animal.

8. Assistance animals for persons with disabilities are not considered to be pets and are not subject to the above restrictions (other than proof of any vaccinations and licensing required by local law).

However, assistance animals still require advance written approval of management.

GROUNDS FOR APPLICATION DENIAL

Applications are denied only if they do not meet eligibility requirements. Applications will be denied for any of the following reasons:

1. Monetary judgments against applicants numbering one or more in the past six (6) months or two or more in the past twelve (12) months.

2. Tax liens

3. A bankruptcy yet to be discharged.

4. Blatant disrespect or disruptive behavior towards management, leasing consultants or residents exhibited by an applicant, family member, or guest at any time prior to move-in.

5. Outstanding debt owed to a utility provider, i.e., Electric, Gas, Water, Cable/TV, Internet Provider.

6. A negative landlord or other reference, encompassing failure to comply with the Lease Agreement as described above, including, weak payment history, failure to maintain the property in a healthy, safe and sanitary condition or damaging the property beyond ordinary wear and tear; lease or rules violations. COVID-19 rental debt, as defined by California law, is not considered and will not be the basis for denial of any application or used as a negative factor in evaluating any application.

7. Monthly combined application income-to-rent ratio does not meet Guidelines.

8. Eviction or judgment from landlord.

9. Falsification of any information on the application.

10. Occupancy size that does not conform to the stated minimum and maximum size.

11. Failure to meet the age restrictions required within the criteria guidelines.

12. Failure to meet any of the qualifications or other selection criteria in this document

PROCESSING THE APPLICATION

In order to process an application, the following information is required:

1. A completed rental application along with proof of legal, verifiable income, as outlined above.

2. A completed Holding Deposit Agreement

3. $35 money order or cashier’s check per adult for the application processing fee is required.

4. $250 money order or cashier’s check holding deposit to reserve the desired unit.

5. All applicants must provide a valid government issued photo identification for viewing purposes only. A copy of the ID will not be made until move-in and Lease Agreement is signed.

6. Required pet or assistive animal documentation.

The application process takes approximately three to five business days to process, provided the required documentation is supplied by the applicant.

Applicants shall sign the application acknowledging they have been provided with a copy of the written Leasing Criteria for Echo Apartments.

ANTI- LOBBYING CERTIFICATION

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

5. The Contractor, the Housing Authority of the County of San Bernardino, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

____
Signature of Contractor's Authorized Official

____
Name and Title of Contractor's Authorized Official

____
Date

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

August 11, 2026

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's Rental Assistance Programs

RECOMMENDATION(S)
Adopt Resolution No. 235 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.
Aspirational Statement #3: To pursue continued financial stability, monitoring, and accountability as stewards of limited funding.

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) Fiscal Year 2026 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 (PIH) Notices, Federal Register Notices as issued by the United States Department of Housing and Urban Development (HUD), and HACSB's Moving to Work (MTW) activities.

Several regulatory changes have prompted the need to revise policies in the Administrative Plan. One primary regulatory change implements the Housing Opportunity Through Modernization Act of 2016 (HOTMA) regulations and policies for traditional, regulatory assistance for special purpose programs and updates existing HOTMA policies based on recent HUD guidance. HOTMA regulations impact how annual income, adjusted annual income and assets are calculated. Additionally, HOTMA implements an asset cap and prohibition on real property ownership that is suitable for occupancy. These provisions go into effect on January 1, 2027 for non-MTW programs, which includes the Continuum of Care and Housing Opportunities for Persons with AIDS programs. HOTMA provisions remain on hold for the Housing Choice Voucher program administered by MTW agencies.

Another reason for revising the Administrative Plan is to update inspection policies under HUD's new inspection standards, called the National Standards for the Physical Inspection of Real Estate (NSPIRE). NSPIRE must be implemented by February 1, 2027. However, housing authorities may choose to implement NSPIRE sooner. HACSB is preparing to implement NSPIRE on October 1, 2026 and will have completed software testing, staff and vendor training, and landlord notification prior to the planned implementation date. Additionally, the Fiscal Year 2027 MTW Plan has been updated to reference local inspection standards that will incorporate NSPIRE and Housing Quality Standards to better reflect local housing needs and adherence to state housing codes. This non-significant change to the MTW Plan authorizes the use of local inspection policies that are not covered under NSPIRE. The local inspection policies are specified in this revision of the Administrative Plan

In addition, appropriate updates have been made in response to rescinded HUD waivers related to the Emergency Housing Voucher program and emergency operations during the COVID pandemic.

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 tracked changes.

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

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Resolution – Administrative Plan Revisions
- Attachment 1 – Summary of Administrative Plan Changes August 2026
- Attachment 2 – Redlines of Administrative Plan Changes August 2026

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on July 23, 2026.

HOUSING AUTHORITY RESOLUTION NO. 2026-235

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 and policies 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 requirements under the Housing Opportunity Through Modernization Act of 2016 and National Standards for the Physical Inspection of Real Estate, revised HUD guidance, 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 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 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:

NOES:

ABSENT:

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

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, August 11, 2026.

____
Secretary

Summary of Administrative Plan Changes, August 2026

Section	Topic	Change
1.6	Rules and Regulations	Updates Housing Opportunity Through Modernization Act of 2016 (HOTMA) implementation information. The U.S. Department of Housing and Urban Development (HUD) has delayed HOTMA implementation for Moving to Work (MTW) agencies. However, HOTMA requirements are to be implemented for traditional, regulatory assistance for special purpose programs on 1/1/2027
3.1 and subparts	Eligibility Factors and Requirements	Implements HOTMA asset and homeownership limitation for traditional, regulatory assistance for special purpose programs
3.2 and subparts	Reasons for Denial	Establishes a separate section concerning application denials and references chapter 15
3.8 and subparts	Asset Limitation	Implements HOTMA asset and homeownership limitation for traditional, regulatory assistance for special purpose programs
6.2 and subparts	Annual Income	Adds clarification concerning the treatment of garnishments and levies in compliance with HUD guidance
6.2.3.6	Regular Contributions and Gifts	Adds clarification concerning non-monetary gifts received from family or friends in compliance with HUD guidance
6.2.4.1	Excluded Income	Adds clarification concerning treatment of worker's compensation payments in compliance with HUD guidance
6.2.4.3 and subparts	Earned Income Disallowance	Removed earned income disallowance section. The earned income disallowance ended 12/31/2025
6.2.5	Assets and Asset Income	Updates footnotes based on HOTMA implementation dates
6.2.5.5 and subparts	Excluded Assets	Implements HOTMA's asset exclusions for traditional, regulatory assistance for special purpose programs
6.2.5.6 and subparts	Imputing Assets from Income	Implements HOTMA regulations concerning the calculation of asset income for traditional, regulatory assistance for special purpose programs
6.2.5.11.1	Types of Assets – Checking and Savings Accounts	Implements HOTMA's net asset value threshold for traditional, regulatory assistance for special purpose programs
6.2.5.11.3	Types of Assets – Equity in Real Property or Other Capital Investments	Removes previous HOTMA implementation language as it is not applicable to this section
6.2.5.11.5	Types of Assets – Retirement Accounts	Implements HOTMA regulations concerning the treatment of retirement accounts for traditional, regulatory assistance for special purpose programs

Summary of Administrative Plan Changes, August 2026 (Continued)

Section	Topic	Change
6.2.5.11.6	Personal Property	Implements HOTMA regulations concerning the treatment of personal property and adds guiding language on excluded and included assets
6.3.2.1	Dependent Deduction	Adds footnote concerning the pre-HOTMA dependent deduction amount
6.3.2.2	Elderly or Disabled Family Deduction	Adds footnote concerning the pre-HOTMA elderly or disabled family deduction amount
6.3.2.3	Childcare Expenses Deduction	Implements HOTMA regulations concerning the childcare expense hardship exemption for traditional, regulatory assistance for special purpose programs
6.3.2.4	Medical Expenses Deduction	Implements HOTMA medical expense threshold and hardship exemptions for traditional, regulatory assistance for special purpose programs
6.5.1	Minimum Rent – Streamlined Lease Assistance, Term-Limited Lease Assistance, and Family Self-Sufficiency Program	Adds language concerning the applicability of the minimum rent to assisted tenants living in units where other program rent limitations may apply
7.1 and subparts	Release of Information and Verification Expiration Dates – Traditional, Regulatory Assistance for Special Purpose Programs	Implements new verification expiration dates permitted under HOTMA
7.2.1 and subparts	General Verification Policies	Implements HOTMA's asset and property ownership limitation at program eligibility for traditional, regulatory assistance for special purpose programs
7.3.2	General Verification Policies for Continued Assistance for Traditional, Regulatory Assistance for Special Purpose Programs	Adds HUD revisions to verification requirements
7.4.2.1	Social Security Numbers – Emergency Housing Voucher Program	Adds footnote concerning the rescission of alternative requirements for providing proof of social security number at admission
7.4.7.1	Citizenship or Eligible Immigration Status – Emergency Housing Voucher Program	Adds footnote concerning the rescission of alternative requirements for providing proof of eligible immigration status at admission

Summary of Administrative Plan Changes, August 2026 (Continued)

Section	Topic	Change
7.5.1 and subparts	Annual Income Verification at Recertification	Implements HOTMA regulations concerning the use of both past and current income for calculating annual income
7.5.2	Employment Income	Adds minor clarification concerning verification requirements
7.5.6 and subparts	Assets and Income from Assets	Implements HOTMA regulations concerning the verification of assets and asset income.
7.5.7	Net Income from Rental Property	Removes HOTMA provisions which are elsewhere in the plan
8.8	Residual Assistance for Remaining Members	Adds new HUD requirements concerning the timeframe in which a new head of household must be established following the death of the head of household
10.2 and subparts	Unit deficiencies and consequences	Adds new HUD requirements for life threatening deficiencies that must be corrected within 24 hours and makes other updates
10.4	Additional Local Requirements	Updates local inspection standards based on changes to HUD inspection standards
12.8.1 and subparts	Changes in Family Composition	Updates HOTMA guidance for traditional, regulatory assistance for special purpose programs and implements requirements for processing interim changes
12.8.2 and subparts	Changes in Income	Implements HOTMA requirements for processing interim changes to annual adjusted income for traditional, regulatory assistance for special purpose programs
12.8.4 and subparts	Timely Reported Changes	Implements HOTMA interim processing timelines for traditional, regulatory assistance for special purpose programs
12.8.5 and subparts	Untimely Reported Changes	Implements HOTMA interim processing timelines for traditional, regulatory assistance for special purpose programs
12.10 and subparts	Recertification at Move	Clarifies that recertifications at move will not be conducted for traditional, regulatory assistance for special purpose programs
Chapter 22	Emergency Operations	HUD has rescinded all COVID pandemic era waivers and notices. The section was updated to remove rescinded notices and references to COVID policies. The emergency operations provisions in the MTW Plan remain and may be activated during an emergency
Throughout		The HOTMA implementation date was removed for MTW programs References to Housing Quality Standards (HQS) were replaced by “HUD inspection standards”

- **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
- 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 was effective January 1, 2024. However, housing authorities were afforded one year to transition to the new HOTMA rules. HUD later extended implementation of some parts of sections 102 and 104 of HOTMA until further notice. 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 for MTW ~~.~~ agencies. However, HUD has implemented some provisions of HOTMA for all agencies and for non-MTW programs. Therefore, HOTMA provisions that are on hold are identified throughout this Plan as follows: ~~being "effective on 10/1/2024 or as soon as practicable thereafter~~ "The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies." Sections with ~~the 10/1/2024~~a HOTMA effective date ~~are on hold until an implementation date is determined~~have been or are scheduled for implementation. ~~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

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]

3.1.1 Streamlined Lease Assistance, Term-Limited Lease Assistance, and Veterans Affairs Supportive Housing (VASH)

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 3.1.2).

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]

[10] The asset limitation is $100,000 and will be adjusted annually for inflation. This HOTMA provision ~~will be implemented for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter~~is on hold until HUD publishes a transition date for MTW agencies.

- 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
- 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.

3.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH) Program (see 3.1.1).

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;[12]
- Does not own real property suitable for occupancy;[13]
- Disclose citizenship or immigration status;
- Meet any other eligibility requirements of the special purpose program; and
- 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.

3.2 Reasons for Denial

The Housing Authority will ~~also~~ deny admission as follows:

- If applicant fails to meet specified criteria regarding drug abuse and other criminal activity;

[11] The limitation on real property ownership ~~will be implemented for post-HOTMA admissions effective 10/1/2024 or as soon as practicable thereafter~~is on hold until HUD publishes a HOTMA transition date for MTW agencies.
[12] The asset limitation is $100,000 and will be adjusted annually for inflation. This HOTMA provision is effective for new admissions on or after 1/1/2027.
[13] The HOTMA limitation on real property ownership is effective for new admissions to traditional, regulatory assistance for special purpose programs on or after 1/1/2027.

- 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.

Additional grounds for denial are described in Chapter 15. 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~~3 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.

3.~~2~~3.1 Family Types

The applicant must qualify as a family. The Housing Authority defines a family as a single person or a group of persons as described in the following sections on elderly family, disabled family, group of persons and a single person. Additionally, the Housing Authority further defines certain families and household members as career-able to appropriately apply Moving to Work activities.

3.~~7~~8 Asset Limitation [24 CFR 5.618(a)

3.8.1 Term-Limited Lease Assistance, Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH)

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 3.8.2).

~~For post-HOTMA eligibility determinations effective 10/1/2024 or as soon as practicable thereafter, t~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

The cash value of a family's total net assets cannot exceed the current asset limit. The asset limit is adjusted annually by HUD.

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 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

3.8.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH) Program (see 3.8.1).

For new admissions effective on or after 1/1/2027, the cash value of a family's total net assets cannot exceed the current asset limit. The asset limit is adjusted annually by HUD.

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 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~~9 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

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(b)(8)].
Foster child or foster adult	Income for the care of a foster child or foster adult, including Kin GAP income, and the income of foster child or foster adult from all sources is excluded [24 CFR 5.609(b)(4); 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(b)(3)]. 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(b)(14)]. 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 except the income that is specifically excluded as described in this section. When a family member's wages or benefits are garnished, levied, or withheld to pay restitution, child support, tax debt, student loan debt, or other applicable debts, the Housing Authority must use the gross amount of the income, prior to the reduction, to determine a family's annual income.

Adjusted annual income is discussed in Section 6.3 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, and Family Self-Sufficiency Programs

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.[23]

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

The Housing Authority generally will use current circumstances to determine anticipated income for the coming twelve (12) month period except 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 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~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

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.
- 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.

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.

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 action~~The following HOTMA provisions are~~s~~ effective ~~10/1/2024~~1/1/2027 or as soon as practicable thereafter:

At the annual reexamination, the Housing Authority will analyze the family's income from the ~~preceding~~ previous 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~~since the family's last annual reexamination. Annual income will be determined by following these steps:

1. The income used for the last annual reexamination will be reviewed.

2. The income used for most recent interim reexamination if it occurred during the last 12 months will be reviewed to capture any changes.
3. Current income documentation dated within 120 days of receipt will be reviewed for any changes that are not captured by an interim. Documentation may include:
    - Year-end statement
    - Pay stub with year-to-date amount
    - Tax forms
    - Current monthly benefit statement

Following these steps, current income will be used if changes have occurred since the most recent reexamination or interim. If no changes have occurred, the income received during the last twelve months will be used to determine annual income.

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.

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.

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.

6.2.3 Annual Income Inclusions [24 CFR 5.609, 24 CFR 5.603, 24 CFR 5.100]

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 in detail in the Section below.

6.2.3.1 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

6.2.3.5.2 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 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.

6.2.3.6 Regular Contributions and Gifts

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. 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 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, family or friends are excluded from income.

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.

6.2.3.7 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.

6.2.3.8 Student Financial Assistance

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

Effective 1/1/2025 or as soon as practical thereafter, the full amount of student financial assistance is excluded from income.[25] Refer to the excluded income section in this Chapter for a detailed description of student financial assistance that was included or excluded prior to the effective date of this change.

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).

[25] HACSB's FY2024 MTW Plan Activity 5: Simplified Income Determination adds all student financial assistance to the list of excluded income.

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.

6.2.3.9 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), Family Self-Sufficiency Program, and Emergency Housing Voucher programs.[26]

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

6.2.4 Annual Income Exclusions

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

6.2.4.1 Excluded Income [24 CFR 5.609(b)]

For actions effective on or after 7/1/2025:

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

- 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 <u>not</u> 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. 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.

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

- Earned income of children under the age of eighteen (18) years
- Income of a live-in aide, foster child, or foster adult
- Amounts received under a resident service stipend. 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
- 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 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
- VA service-connected disability benefits are excluded for purposes of determining income eligibility under the HUD-VASH program but are included for the purposes of calculating the total tenant payment, housing assistance payment and family rent share unless the payments are for deferred disability benefits[27]
- 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

[27] Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024

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 income[28] 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 regardless of length or frequency of payments. ~~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
- 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

[28] Refer to the Assets and Asset Income section for applicability by program.

- 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(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
    - 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
- 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
- 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 actions effective before 7/1/2025:

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 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(c)(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.
- 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)
- VA service-connected disability benefits are excluded for purposes of determining income eligibility under the VASH program but are included for the purposes of calculating the total tenant payment, housing assistance payment and family rent share unless the payments are for deferred disability benefits[29]
- 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)].

[29] Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024

- 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
    - 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(f)(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))
- 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 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

6.2.4.1.1 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)[30]
- Full amount of student financial assistance[31]

The 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.

6.2.4.1.2 Traditional, Regulatory Assistance for Special Purpose Households

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher, and Family Self-Sufficiency programs (see 6.2.4.1.1).

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

- Earned income in excess of the dependent deduction for each full-time student eighteen (18) years old or older (except for the head, spouse, or cohead).
- 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)

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

[31] HACSB's MTW Activity 5: Simplified Income Determination excludes all student financial assistance.

~~6.2.4.3 Earned Income Disallowance [24 CFR 5.617]~~

~~*6.2.4.3.1 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.[32]~~

~~*6.2.4.3.2 Traditional, Regulatory Assistance for Special Purpose Programs*~~
~~This section applies to Veterans Affairs Supportive Housing (VASH), 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 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~~

~~[32] HACSB's MTW Activity 5: Simplified Income Determination eliminates the Earned Income Disallowance for MTW programs.~~

~~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.~~

6.2.5 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

6.2.5.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing, 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 family rent share.[33] If the net family assets exceed the asset limit at initial eligibility determination, assistance will be denied.[34]

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

6.2.5.2 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 6.2.5.1).

Asset income is included in the annual income calculation for initial eligibility and recertifications. Net family assets are used to determine initial eligibility,[35] and asset income is used to determine family rent share.

6.2.5.3 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.

6.2.5.4 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 cash value of all assets owned by the family are included in the calculation of net assets unless specifically excluded below.

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[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~~are on hold until HUD publishes a transition date for MTW agencies.

[35] The HOTMA asset limit for initial eligibility ~~will be for post-HOTMA admissions effective 10/1/2024 or as soon as practicable~~is effective for traditional, regulatory assistance for special purpose programs new admissions on or after 1/1/2027.

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.

6.2.5.5 Excluded Assets [24 CFR 5.603(b)(3) and (4)]~~[36]~~

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

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.2.5.5.2)

The following assets are excluded from the calculation of net family assets:[37]

- 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*

~~[36] 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.~~

[37] Excluded assets marked with an asterisk are on hold until HUD publishes a HOTMA transition date for MTW agencies.

- 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 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

6.2.5.5.2 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) or Family Self-Sufficiency Programs (FSS) Programs (see 6.2.5.5.1).

The following HOTMA provisions are effective 1/1/2027 or as soon as practicable thereafter:

The net family asset calculation will exclude the following assets:

- Necessary items of personal property
- Non-necessary items of personal property if the combined total value does not exceed $50,000
- Retirement accounts 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 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

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

6.2.5.6.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Support Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency Programs
This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.2.5.6.2).

~~For post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies.

When net family assets are $50,000 or less, the Housing Authority will include in annual income the actual return 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 (1) the actual income derived from the assets 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 cash value of the asset by the current HUD-established passbook 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.

6.2.5.6.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs (see 6.2.5.6.1).

The following HOTMA provisions are effective 1/1/2027 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 return 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 (1) the actual income derived from the assets 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 cash value of the asset by the current HUD-established passbook 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.

6.2.5.10 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 Types of Assets

6.2.5.11.1 Checking and Savings Accounts

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

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.2.5.11.1.2).

The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies.

~~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 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 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.

6.2.5.11.1.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs (see 6.2.5.11.1.1).

The following HOTMA provisions are effective 1/1/2027 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 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 the asset will be included. 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.

6.2.5.11.2 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 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 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 a fixed amount (e.g., dividends from mutual fund), the Housing Authority will calculate asset income based on the earnings for the most recent reporting period.

6.2.5.11.3 Equity in Real Property or Other Capital Investments [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.

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 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 assisted under the Housing Services program Homeownership Option [24 CFR 5.618(a)]
- Equity in owner-occupied cooperatives in which the family lives and is receiving assistance under 24 CFR 982.620 [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 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 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

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 (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.

6.2.5.11.4 Trusts [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.

6.2.5.11.5 Retirement Accounts [24 CFR 5.603(b), 24 CFR 5.609(b)]

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

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs. (see 6.2.5.11.5.2).

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

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 included as 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:

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. 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.

6.2.5.11.5.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs (see 6.2.5.11.5.1).

The following HOTMA provisions are effective 1/1/2027 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 included as 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:

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. 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.

6.2.5.11.6 Personal Property [24 CFR 5.603(b)]

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

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.2.5.11.6.2).

The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

~~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~~are as follows:

Necessary Personal Property (EXCLUDED)	**Non-necessary Personal Property (INCLUDED)**
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use	Recreational car/vehicle not needed for day-to-day transportation, such as camper bans, travel trailers, all terrain vehicles
Furniture, carpets, linens, kitchenware	Bank accounts or other financial investments, such as checking account, savings account, stocks/bonds
Common appliances and electronics, such as kitchen appliances, television	Recreational boat/watercraft
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. 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.

6.2.5.11.6.2 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs (see 6.2.5.11.6.1).

The following HOTMA provisions are effective 1/1/2027 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 are as follows:

Necessary Personal Property (EXCLUDED)	**Non-necessary Personal Property (INCLUDED)**
Car(s)/vehicle(s) that a family relies on for transportation for personal or business use	Recreational car/vehicle not needed for day-to-day transportation, such as camper bans, travel trailers, all terrain vehicles
Furniture, carpets, linens, kitchenware	Bank accounts or other financial investments, such as checking account, savings account, stocks/bonds
Common appliances and electronics, such as kitchen appliances, television	Recreational boat/watercraft
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. 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.

6.2.5.11.7 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.[38]

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 HUD-determined deduction amount for each dependent is subtracted from annual income.[39] The amount of the 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 the deduction amount. Dependent is defined in Chapter 4.

6.3.2.2 Elderly or Disabled Family Deduction [24 CFR 5.611]

A single deduction amount for any elderly or disabled family is subtracted from annual income. The amount of the elderly or disabled family deduction is determined by HUD.[40] 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 the deduction amount. An *elderly family* for the purposes of this deduction is a family whose head, spouse, cohead, or sole 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].

[38] The FY 2011 and FY 2013 Moving to Work Annual Plans created Activity 20: Term-Limited Lease Assistance and Activity 22: Streamlined Lease Assistance programs, respectively. Neither of these programs have allowable adjustments to annual income.
[39] A deduction of $480 per dependent will be used for the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs until HUD publishes a transition date for MTW agencies.
[40] A single deduction of $400 for an elderly or disabled family will be used for the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs until HUD publishes a transition date for MTW agencies.

6.3.2.3 Childcare Expenses Deduction [24 CFR 5.611(a)(d)(e), HUD PIH 2023-27]

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 childcare 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).

6.3.2.3.1 Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.3.2.3.2).
~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~

The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

If a family ~~is receiving~~receives 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:

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.

6.3.2.3.2 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency (FSS) Programs (see 6.3.2.3.1).

The following HOTMA provisions are effective 1/1/2027 or as soon as practicable thereafter:

If a family receives 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:

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]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed 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.

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." Health and medical care expenses do not include cosmetic surgery or other procedures that are directed at improving the patient's appearance and do not promote the proper function of the body or prevent or treat illness or disease.

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

6.3.2.4.1 Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 6.3.2.4.2).

The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

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.

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). At the first reexamination following implementation of the 10% threshold, the family's medical expenses will be evaluated to determine if the household may qualify for phased-in relief. To qualify for phased in relief, the family must have received a deduction for unreimbursed health and medical expenses based on their most recent income review prior to 1/1/2024. ~~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
   - 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. 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.

6.3.2.4.2 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency (FSS) Programs (see 6.3.2.4.1).

The following HOTMA provisions are effective 1/1/2027 or as soon as practicable thereafter:

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.

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). At the first reexamination following implementation of the 10% threshold, the family's medical expenses will be evaluated to determine if the household may qualify for phases-in relief. To qualify for phased in relief, the family must have received a deduction for unreimbursed health and medical expenses based on their most recent income review prior to 1/1/2024. 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
    - 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. 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.

6.3.2.5 Disability Assistance Expenses Deduction [24 CFR 5.603(b) and 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 eighteen (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.

6.4 Calculation of Housing Authority Subsidy and Family Rent Share

Each Housing Services program determines the Housing Authority subsidy and family rent share differently. Family rent share describes the amount of rent for which a family is responsible. This previously was known as “Total Tenant Payment.” This section describes the calculation for each program.

and started receiving a regular wage of $2,000 per month. This interim change was not required to be reported by the family. Now, the family is reporting an unforeseen, involuntary loss of employment. The hardship exemption would remove the $1,000 per month self-employment from the family income, and after six months the $1,000 would be added back to the family income.

6.4.8.3 Pre-Implementation and Program Transfer Hardship Exemptions

Prior to implementation of the Streamlined Lease Assistance (SLA) programs and transfers to SLA from other programs, HACSB will conduct a detailed data analysis. As part of that data analysis, certain households may be likely to experience a disproportionate impact as the result of the implementation or program transfer. A temporary hardship exemption would allow the family to maintain their previous total family rent share for up to six (6) months. HACSB would send a sixty (60) day notice that the family would be subject to the new streamlined calculation at the end of six (6) months. For those families that are currently renting a unit that is larger than their approved subsidy standard HACSB will offer these families either the opportunity to move or the opportunity to have a temporary hardship exemption.

6.4.9 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 Adjusted Income or the applicable minimum rent. For the VASH, 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, Term-Limited Lease Assistance and Family Self-Sufficiency Programs

Effective 10/1/2026, the minimum rent for most families participating in the Streamlined Lease Assistance program, Term-Limited Lease Assistance, and Family Self-Sufficiency (FSS) Program is $450.00.[45]

[45] The FY 2025 Moving to Work Annual Plan amended Activity 10: Minimum Rent which established a minimum rent of $450 or $125 for all Housing Services programs except VASH, EHV, and Traditional, Regulatory Assistance for Special Purpose Programs.

A minimum rent of $125 applies to the following populations and programs:
- Streamlined Lease Assistance for Elderly/Disabled families with no career-able member; and
- Programs serving vulnerable populations (see section 6.5.1.4)

The minimum rent may be changed for tenant-based and project-based participants living in units subject to regulatory agreements with other tenant rent setting requirements.

6.5.1.1 Minimum Rent Transition Period
For households subject to the $450 minimum rent, who were admitted prior to 10/1/2026, the minimum rent will be based on the family's annual income at the family's next recertification on or after 10/1/2026 and the minimum rent will be tiered according to the following schedule until the family reaches the $450 minimum rent:

Income at 1st recertification on or after 10/1/2026	**Starting Minimum Rent**	**2nd recertification**	**3rd recertification**
$0 - $7,500	$225	$325	$450
$7,501 - $10,833	$325	$450	--
$10,834 +	$450	--	--

The rent share for these families will be calculated based on the greater of:

1. The applicable rent percentage multiplied by gross monthly income; or
2. The highest family rent share previously calculated for the family (the baseline rent); or
3. The applicable minimum rent based upon the above schedule.

6.5.1.2 Program Redetermination and Minimum Rent
If the family has a program change on or after 10/1/2026, the minimum rent will be as follows:

a. $125 for Streamlined Lease Assistance Elderly/Disabled families with no career-able member;
b. The minimum rent tier currently in effect for the family (Example: An SLA family on the $325 tier who is transitioned to FSS before their next recertification will remain on the $325 minimum rent until their next recertification); or

For applicants, verifications may not be more than one-hundred and twenty (120) days old at the time of orientation.[50] For participants, they are valid for one-hundred and eighty (180) days from date of receipt.[51]

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 2023-27]~~

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.~~

[50] HACSB's MTW Activity 5: Simplified Income Determination allows verifications to be not more than 120 days old at the time of the briefing.
[51] 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 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 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)(a) 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.

7.2.1.1~~2~~ Term-Limited Lease Assistance, ~~and~~ Streamlined Lease Assistance Programs, and Veterans Affairs Supportive Housing (VASH) Programs

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 7.2.1.2).

Applicants for the Term-Limited Lease Assistance and Streamlined Lease Assistance programs[52] must provide verification on the following eligibility criteria:

- Preferences
- Assets and real property ownership[53]
- Annual Income
- Citizenship or eligible immigration status
- Social security numbers
- Legal identity
- Documentation of age
- Disability status
- Family relationships
- Student status

7.2.1.2~~3~~ Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH) Program (see 7.2.1.1).

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

[52] 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.

[53] 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, n~~Using net family assets and real property ownership ~~will be used~~ to determine initial program eligibility is on hold until HUD publishes a transition date for MTW agencies.

- Student status
- Allowances
- 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~~Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs

~~For families participating in the HACSB MTW program, Veterans Affairs Supportive Housing (VASH) 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.~~This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 7.3.2).

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 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 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.[54]

Per PIH Notice 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)(in) and 24 CFR 982.516(a)(2); and (3) Report the income 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.~~

[54] HACSB's MTW Activity 5: Simplified Income Determination created a modified verification hierarchy for HACSB's MTW programs.

This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH), ~~and~~ Emergency Housing Voucher programs, and Family Self-Sufficiency (FSS) Programs (see 7.3.1).

Level	Verification Method/Technique	Applies To
6/5	~~Other~~ Upfront Income Verification (UIV) System, including use of the Enterprise Income Verification (EIV) system	All sources of income if available through an EIV or UIV system
4	Written Third-Party Verification: An original or authentic document generated by a third-party source dated either within 120-days of receipt or for fixed benefit programs, dated for the current benefit year	All sources of income not verifiable through the UIV system; tenant disputed UIV 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 (HACSB may skip level 3 verification and go directly to level 2)
2	Oral Third-Party Verification	All sources of income not verifiable through a higher level of verification
1	Tenant Self-Certification	All sources of income not verifiable through a higher level of verification

Per PIH Notice 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. Self-certification will be used as the highest form of verification when an adult family member reports zero income. 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.

7.3.3 Term-Limited Lease Assistance and Streamlined Lease Assistance

The Housing Authority will verify the following factors at recertification[55]:

- Annual Income
- Student status

7.3.4 Traditional, Regulatory Assistance for Special Purpose Programs

The Housing Authority will verify the following at recertification:

- Assets[56]
- 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	
Adults	**Children**

[55] 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.

[56] For Emergency Housing Voucher and Veterans Affairs Supportive Housing programs, assets are excluded from the rent calculation and will not be verified at recertification. For traditional, regulatory assistance for special purpose programs, property ownership will be reviewed at recertification effective 1/1/2027 or as soon as practicable thereafter.

unforeseen circumstances and was outside of the participant's control. During the period the Housing Authority is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

7.4.2.1 Emergency Housing Voucher Program

During the initial eligibility determination for the Emergency Housing Voucher program, the Housing Authority will accept self-certification of social security number if documentation is unavailable. However, documentation of the social security number 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 7.4.2 applies.[57]

7.4.2.2 Veterans Affairs Supportive Housing Program

If the veteran or their family member is unable to provide proof of social security number as outlined in section 7.4.2, the Housing Authority will accept self-certification of the social security number and at least one third-party document, such as a bank statement, utility or phone bill or benefit letter that contains the name of the individual in the absence of other documentation.[58]

7.4.3 Documentation of Age

A birth certificate or other official record of birth is the preferred form of age verification for all family members under the age of eighteen (18). For family members over eighteen (18) the preferred form of age verification is a government-issued identification. 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 Housing Authority 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.

[57] HUD Notice PIH 2026-05 issued March 5, 2026 rescinded the provision allowing submission of social security number documentation within 180 days of admission provided in Notice PIH 2021-15. At the time of publication of the recission, there were no new EHV admissions.

[58] Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024

7.4.7 Citizenship or Eligible Immigration Status [24 CFR 5.508]

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.

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 eighteen (18) or older and by a guardian for minors. The Housing Authority may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

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.

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.[59] 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.

[59] HUD Notice PIH 2026-05 issued March 5, 2026 rescinded the provision allowing submission of immigration documentation within 180 days of admission provided in Notice PIH 2021-15. At the time of publication of the recission, there were no new EHV admissions.

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 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:~~

7.5.1.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans 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.[60] 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

Effective 1/1/2027 or as soon as practicable thereafter, ~~T~~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.

7.5.2 Employment Income

Families with earned income generally will be required to provide two current and 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.

7.5.3 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.

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

1. Current receipts and/or payment stubs
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

7.5.6 Assets and Income from Assets [24 CFR 5.603, 24 CFR 5.618, Notice PIH 2023-27]

7.5.6.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Emergency Housing Voucher, and Family Self-Sufficiency Programs[61]

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

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. 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. Following program admission, the Housing Authority will not verify assets.

[61] 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 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.

7.5.6.2 Veterans Affairs Supportive Housing (VASH) Program[62]

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~ The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

For the purposes of initial eligibility, the Housing Authority must accept self-certification by the family that the family's total assets are equal to or less than $50,000, adjusted annually for inflation, and that the family does not have any present ownership interest in real estate, without taking additional steps to verify. 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. If the family's assets exceed $50,000, asset value and income generally will be verified by two consecutive months' statements. Following program admission, the Housing Authority will not verify assets.

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

For the purposes of initial eligibility, the Housing Authority must accept self-certification by the family that the family's total assets are equal to or less than $50,000, adjusted annually for inflation. 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. If the family's assets exceed $50,000, asset income generally will be verified by two consecutive months' statements. Following program admission, the Housing Authority will not verify assets.

[62] Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program, Rules and Regulations published August 13, 2024

7.5.6.3 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 7.5.6.1 and 7.5.6.2).

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~The following HOTMA provisions are effective 1/1/2027 or as soon as practicable thereafter:

For the purposes of initial eligibility, the Housing Authority will accept self-certification by the family that the family's net assets are equal to or less than $50,000, adjusted annually for inflation, and that the family does not have any present ownership interest in real estate, without taking additional steps to verify. 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. If the family's assets exceed $50,000 (adjusted annually by HUD), asset value and income generally will be verified by two consecutive months' statements. Following program admission, the Housing Authority will only verify assets and asset income if the family reports assets exceeding $50,000 (adjusted annually by HUD) or every three years for assets totaling $50,000 or less (adjusted annually by HUD).

~~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.~~

Regardless of the family's total assets, ~~A~~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:

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

7.5.6.4 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:

- 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 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, f~~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 Student Financial Assistance [24 CFR 5.609 and FR 4/10/06]

Chapter 6 details the amount of student financial assistance that is included or excluded from annual income. Excluded 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, 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

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 [Notice PIH 2026-11]

If the head of household moves out or passes away, the remaining household members are eligible for ongoing assistance as long as they continue to reside in the assisted unit, except under the following circumstances:

- The family was determined to be over-income prior to the head of household's departure ~~moving out~~;
- The family received a termination notice prior to the head of household's departure ~~moving out~~; or
- The remaining members are ineligible for assistance.

In the event the head of household no longer resides in the assisted unit, the remaining household members must have been previously approved by the Housing Authority to be living in the unit to receive continued housing assistance. A live-in aide, by definition, is not a member of the family and will not be considered a remaining member of the family. A foster child or foster adult is also not considered a remaining family member.

~~A new head of household must be designated from the remaining adult members.~~If the head of household is deceased, a new head of household must be established from remaining household members by the family within 30 days. Failure to replace or establish an eligible head of household within that timeframe will result in termination of assistance to the remaining household members. If the new head of household is disabled or fifty-seven (57) years or older, the household will be eligible to receive a Family Obligations Agreement to participate in the Streamlined Lease Assistance Program. If the new Head of Household is not disabled or fifty-seven (57) years of age or older, the head of household 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 must have awarded emancipated minor status to the minor; or
- The Housing Authority 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.

If a family voluntarily relinquishes their assistance in lieu of facing termination, the Housing Authority will continue to seek to recover any monies that may be due to the Housing Authority as a result of misrepresentation or other breach of program in accordance with Chapter 18 of this Administrative Plan.

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.

10.1.7 Move-out Inspection

If the owner is eligible to file a claim for reimbursement for tenant-caused damage beyond normal wear and tear, the Housing Authority must first conduct a move-out inspection to confirm the condition of the unit. The owner or the owner's agent must be present for the move-out inspection.

10.2 Unit Deficiencies and Consequences [24 CFR 982.404]

Deficiencies identified during an inspection (other than the initial inspection) must be corrected within the time frames identified in this section. The Housing Authority will not withhold Housing Assistance Payments during the 24-hour or 30-day correction period or approved extension.

10.2.1 Emergency Repairs

Emergency/life threatening items that are identified through an inspection or verified by another public agency which endanger the family's health or safety must be corrected or remedied by the owner within twenty-four (24) hours of notification.

Effective ~~upon implementation of NSPIRE on~~ 10/1/2026 or as soon as practicable thereafter, the following items are considered life threatening and must be corrected within twenty-four (24) hours of notice by the Housing Authority:

NSPIRE Life-Threatening Deficiencies

Inspectable Item	**Deficiency**
Call-for-Aid System	System is blocked, cannot reach pull cord or does not function properly.
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed in a proper location, is obstructed, or does not work.
Chimney	Chimney or flue connected to a fireplace/wood-burning appliance is incomplete or damaged so that it may not safely contain fire and channel smoke & gases outside. Or chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Dryer duct is detached or missing, does not allow air flow or is not suitable material. (Applies to gas or electric dryers)
Door - Entry	Entry door is missing or does not close and lock properly.
Door - Fire Labeled	Fire labeled door is missing or does not open if it's required to as a means of egress.

Egress	Obstructed means of egress from unit or building. Fire escape is obstructed, damaged or missing.
Electrical Conductor, Outlet, and Switch	Outlet or switch is damaged, exposed wiring or water is in contact with wiring. Includes missing plate covers and visible wire nuts
Electrical - Service Panel	The overcurrent protection device is damaged.
Exit Sign (common areas only)	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Extinguisher (not required unless previously installed, does not include tenant fire extinguishers)	Fire extinguisher pressure gauge reads over or under-charged. Or service tag is missing, illegible, or expired. Or fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item within 3 feet of gas heater or water heater OR Improperly stored chemicals.
Guardrail	Where there is at least a 30 inch drop along a normal walkway, the guardrail is missing, not installed, damaged or not at least 30 inches high.
Heating, Ventilation, and Air Conditioning (HVAC)	Between October 1 and March 31 the permanently installed heater is not working or does not maintain at least 64 degrees inside the unit. Combustion chamber cover or gas shut off valve is missing. Flue exhaust vent is missing, disconnected, blocked, misaligned, or damaged.
Gas or Oil Leak	Natural gas, propane or oil leak
Mold-Like Substance	Visually observed mold-like substance at extremely high levels
Smoke Alarm	Smoke alarm is not installed in required area(s), is obstructed, or does not work.
Sprinkler Assembly	Sprinkler head does not have clearance of at least 18 inches (does not include permanent items like walls, cabinets etc.). Or a key component is damaged, missing, or doesn't work. Or sprinkler assembly has signs of corrosion or is covered by paint or dust
Structural System	Structural system has signs of serious failure
Toilet	Only toilet in unit is missing or is inoperable
Water Heater	Chimney or flue is blocked, misaligned or missing. Gas shut off valve is damaged, missing, or not installed.

For inspections conducted before 10/1/2026, ~~T~~the following items are considered of an emergency nature and must be corrected within twenty-four (24) hours of notice by the Housing Authority:

A. Lack of security for the unit
B. Ceiling in imminent danger of falling
C. Major plumbing leaks or flooding
D. Natural gas leak or fumes
E. Electrical problem which could result in shock or fire
F. No heat when weather conditions dictate a need for health and safety reasons
G. Utilities not in service
H. No running hot water
I. Broken glass where someone could be injured
J. Obstacle which prevents tenant's entrance or exit
K. Lack of functioning toilet
L. Inoperable smoke detectors
M. Any condition cited as life-threatening by other agencies with jurisdiction

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by the Housing Authority.

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority, and the owner is responsible, the housing assistance payment will be abated and the contract may be terminated.

If the emergency repair item(s) are not corrected in the time period required by the Housing Authority and the tenant is responsible and in violation of their family obligations, the Housing Authority will take appropriate steps to enforce the family obligations.

10.2.2 Non-Emergency Items

For non-emergency items/non-life-threatening, repairs must be made within thirty (30) days of the original inspection date unless an extension is granted by the Housing Authority. When it has been determined that a unit on the program fails to meet inspection standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by the Housing Authority, the assistance payment to the owner will be abated. The Housing Authority will not pay any housing assistance for the time period the unit is in abatement ~~failed~~ status and prior to the passed inspection.

The Housing Authority may also notify landlords of recommendations for repair of items that would improve the unit but do not fail inspection standards and do not impact the health and/or safety of the participant's household.

10.2.3 Extension for Repairs

The owner may request an extension for repairs beyond the thirty (30) day reinspection deadline. The request must be submitted in writing and include an estimated date for the completion of the repairs. The Housing Authority will grant extensions under the following circumstances:

- Failure of the tenant to make unit available for repairs (copies of notices to the tenant must be submitted with the owner's request);
- Illness/hospitalization of the owner during the inspection period;
- Extensive repairs requiring building permits;
- The materials or parts necessary to make repairs need to be ordered; or
- Other circumstances as approved by the Housing Manager or Director.

Additionally, the unit will not be abated if the family fails to make the unit available for re-inspection or for the repairs. When the landlord has been unable to gain access to the unit to make repairs, the landlord must submit ~~-~~to the Housing Authority, ~~(~~copies of notices given to the tenant ~~to the Housing Authority~~. ~~must be submitted).~~

10.2.4 Abatement and Termination [24 CFR 985.3(f)]

A notice of abatement and termination of contract will be sent to the owner after the unit is found in noncompliance with inspection standards at the correction date or approved extension. The abatement will be effective from the first day of the month after the date of the failed re-inspection. The contract termination date will be ninety (90) days after the effective date of the abatement.

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 and will be issued a Family Obligations Agreement or Voucher for an initial term of 90 days.

The owner may still make repairs on the unit during the abatement period. However, the owner must notify the Housing Authority in writing 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 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[70] ~~[24 CFR 982.406]~~

The Housing Authority adheres to all HUD required inspection standards. The Housing Authority has also adopted additional ~~quality~~ housing 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 effective 10/1/2026 or as soon as practicable thereafter:

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;~~,~~ one (1) on the top third of the tank and one (1) on the 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

[70] The FY 2027 Moving to Work Plan, Activity 13: Local Inspection Policies establishes local inspection standards.

- Chipping or peeling paint on any one exterior wall adding up to 10 square feet or more must be remedied regardless of when the unit was built. ~~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.~~4. Doors

- Exterior entr~~ies to unit must have~~y doors ~~that are secure, lockable and designed and~~must be rated ~~equipped~~ for exterior use~~. They must be~~, such as solid core construction~~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 may have acceptable locks.~~

~~6.~~5. 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.~~6. Fire Safety

The garage-to-house connecting door is considered a part of a fire protection system and will be evaluated under the HUD Fire Labeled Door inspection standard. ~~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.~~7. 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.
- 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.~~

~~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.~~

~~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.~~

10.5 Shared Housing

The entire unit, including the portion of the unit available for use by the assisted family under its lease, must pass inspection standards. In addition, the family must have access to a living room, a bathroom, food preparation and refuse disposal facilities. These facilities may be shared or private (for the exclusive use of the assisted family). The entire unit must provide adequate space and security for all assisted and unassisted residents. The private, non-shared space for each assisted family must contain at least one bedroom for each two persons in the family. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

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. To add an adult member, including a live-in aide, the family must provide either an updated Lease listing the new member or a written statement from the landlord approving the household addition.

An interim recertification does not affect the next date of the regularly scheduled recertification.

12.8.1.1 Term-Limited Lease Assistance~~,~~ and Streamlined Lease Assistance~~, and Emergency Housing Voucher Programs~~

These provisions do not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 12.8.1.2 and 12.8.1.3)~~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.[79] 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.~~

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

If a family member is removed or approved to be added to the assisted household~~If any new family member is approved to be added~~ in between recertifications, the income of the family will not be redetermined until the next scheduled recertification.[80] ~~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~~Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Program

This section ~~applies to participants of the Veterans Affairs Supportive Housing (VASH).~~does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 12.8.1.3).

~~[79] HACSB's MTW Plan, Activity 4: Biennial and Triennial Recertifications, states that interim reexaminations will not be completed between recertifications.~~

[80] The MTW Annual Plan, Activity 22: Streamlined Lease Assistance provides that interim recertifications for changes in household income are not performed except under the hardship exemption procedures.

~~For post-HOTMA interims effective 10/1/2024 or as soon as practicable thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

If any new family member is approved to be added or removed from the assisted household, an interim reexamination of family income and rent will ~~not~~ be completed. For income decreases, any reduction in annual adjusted income will be processed. For income increases ~~unless the unearned income of the new family member would result in increase in adjusted annual income of 10% or more~~any increase in unearned income will be included in the calculation of annual adjusted income and rent~~.~~ unless the change is taking place within three months of the effective date of the next recertification. Increases in earned income will not be included until the next recertification. ~~If a household size change results in a reduction in adjusted income, the Housing Authority will complete an interim reexamination. However, c~~

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~~changes to the annual adjusted 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.

12.8.1.3 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency (FSS) Programs (see 12.8.1.2).

The following HOTMA provisions are effective 1/1/2027 or as soon as practicable thereafter:

If any new family member is approved to be added or removed from the assisted household, an interim reexamination of family income and rent will be completed. For income decreases, any reduction in annual adjusted income will be processed. For income increases any increase in unearned income will be included in the calculation of annual adjusted income and rent unless the change is taking place within three months of the effective date of the next recertification. Increases in earned income will not be included until the next recertification.

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 changes to annual adjusted 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 Income[81]

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 within a reasonable time if required by the program. 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. Thus, families are only required to report income changes at recertification. Families may request a hardship exemption under certain circumstances as described in Chapter 6.

12.8.2.2 Emergency Housing Voucher Program

The Housing Authority will not process an interim reexamination due to an increase in annual adjusted income.[82] Thus, EHV families are only required to report income changes at recertification but may report income reductions at any time.

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 also process an interim income increase if the EHV participant requests the income adjustment in order to meet the 40% affordability threshold required during a move.

12.8.2.3 ~~Traditional, Regulatory Assistance for Special Purpose Programs~~ Veterans Affairs Supportive Housing (VASH) and Family Self-Sufficiency (FSS) Program

This section does not ~~applies~~ apply to participants of the ~~Veterans Affairs Supportive Housing (VASH)~~Traditional, Regulatory Assistance for Special Purpose Programs (see 12.8.2.4).

[81] Each Housing Services Program has different interim recertification criteria based on the Housing Authority's policy and MTW authorization.
[82] HACSB's MTW Plan, Activity 4: Biennial and Triennial Recertifications states that interim increases will not be process. Activity 4 applies to VASH and EHV programs except that interim reexaminations will be performed for interim decreases.

~~For post-HOTMA interim changes effective after 10/1/2024 or as soon as practicable thereafter~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

The family must report any changes in income. 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
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.

12.8.2.4 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to participants of the Veterans Affairs Supportive Housing (VASH) or Family Self-Sufficiency (FSS) Programs (see 12.8.2.3).

The following HOTMA provisions are effective for interim changes reported on or after 1/1/2027:

The family must report any changes in income. 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
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 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 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 correct the income determination.

12.8.4 Timely Reported Changes

12.8.4.1 Term-Limited Lease Assistance, ~~and~~ Streamlined Lease Assistance Programs, Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency (FSS) Programs
This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 12.8.4.2).

When changes are reported 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 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
This section does not apply to Veterans Affairs Supportive Housing, Emergency Housing Voucher, or Family Self-Sufficiency Programs (see 12.8.4.1).

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter~~The following HOTMA provisions are effective 1/1/2027 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

12.8.5.1 Term-Limited Lease Assistance, Streamlined Lease Assistance, Veterans Affairs Supportive Housing (VASH) Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs
This section does not apply to Traditional, Regulatory Assistance for Special Purposed Programs (see 12.8.5.2)

~~For post-HOTMA actions effective 10/1/2024 or as soon as practicable thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

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.

12.8.5.2 Traditional, Regulatory Assistance for Special Purpose Programs
This section does not apply to Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV), and Family Self-Sufficiency (FSS) Programs (see 12.8.5.1).

The following HOTMA provisions are effective 1/1/2027 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 Redetermination[83]

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. For program redeterminations affecting the minimum rent, refer to section 6.5.

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 Lease Assistance for Elderly/Disabled

[83] 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.

program. If the transfer is effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.

12.9.2 Streamlined Lease Assistance Program for Elderly/Disabled

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 Lease Assistance program, the family will be transferred to the Term-Limited Lease Assistance Program or Streamlined Lease Assistance for Career-Able Families program based on the criteria in section 3.12 and at the 36% rent calculation.

12.9.3 Streamlined Lease Assistance Program for Career-Able Families

If the head of household, spouse or cohead becomes disabled after being issued a Family Obligations Agreement for participation in the Streamlined Lease Assistance for Career-Able Families program, the family will be transferred to the Streamlined Lease Assistance for Elderly/Disabled program. If the transfer is effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.

12.9.4 Family Self-Sufficiency

When an FSS family exits the program, they will be transferred to Streamlined Lease Assistance Program for Elderly/Disabled or the Streamlined Lease Assistance Program for Career-Able Families. For transfers to the Streamlined Lease Assistance Program for Elderly/Disabled effective on or after 1/1/2026, the tenant rent calculation will be based on 36% of the household's gross monthly income.12.9.5 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 Recertification at Move

12.10.1 Term-Limited Lease Assistance and Streamlined Lease Assistance Programs

The family is not recertified at move. The effective date of the new contract will not change the effective date of the next annual recertification.

12.10.2 Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs

This section does not apply to Traditional, Regulatory Assistance for Special Purpose Programs (see 12.10.3).

~~For post-HOTMA actions effective 10/1/2024 or as soon as practical thereafter:~~The following HOTMA provisions are on hold until HUD publishes a transition date for MTW agencies:

A full recertification will be completed when the participant changes units, and the date of the next recertification will change as a result. For example, if the participant's recertification month is August, but completes a recertification for a move effective in April, the family's recertification month will change to April.

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

The family is not recertified at move. The effective date of the new contract will not change the effective date of the next annual recertification.

12.10.3 Traditional, Regulatory Assistance for Special Purpose Programs

This section does not apply to the Veterans Affairs Supportive Housing (VASH), Emergency Housing Voucher (EHV) and Family Self-Sufficiency (FSS) Programs (see 12.10.2).

The family is not recertified at move. The effective date of the new contract will not change the effective date of the next annual recertification.

12.11 Over-income Families[84]

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 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

[84] 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.

CHAPTER 22: EMERGENCY OPERATIONS

22. Introduction

~~On January 31, 2020, Secretary of Health and Human Services Alex M. Azar II declared a public health emergency for the United States in response to an outbreak of a respiratory disease caused by a novel (new) coronavirus, "Coronavirus Disease 2019" (COVID-19). On March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency. In compliance with the recommendations of the Center for Disease Control (CDC), the "stay-at-home" Executive Order issued by California Governor Gavin Newsom on March 19, 2020, and other guidance from local, state and federal agencies, HACSB took steps to reduce contact between individuals, including closing offices to the public and reducing the number of employees in the office through telework and alternative work schedules. As a result, HACSB modified some operations and deferred some functions to a later time. The revisions to the Administrative Plan implemented in response to the emergency are summarized below. The regulatory waivers provided by HUD are specific to the COVID-19 emergency and have sunset dates.~~ The emergency provisions authorized through Amendment 2 of the FY 2020 Moving to Work Plan are described in this Chapter. These provisions may be ~~re~~activated in response to any future local disaster, emergency, or crisis situation.

~~22.1 Administrative Plan~~

~~The following paragraph is added to Section 1.1 Purpose of the Plan:~~

~~In light of the COVID-19 emergency, HUD is temporarily waiving the requirement that any revisions to the Administrative Plan must be formally adopted by the Board of Commissioners. Any informally adopted policy revisions as result of HUD waiver notices must be formally adopted by the Board of Commissioners as soon as practical, but no later than December 31, 2021. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) Additionally, on April 14, 2020, the HACSB Board of Commissioners granted emergency authority to the Executive Director under Resolution No. 84 to waive policies and procedures within the Administrative Plan and to allow for implementation of policies and procedures without formal Board approval. The authorization was retroactive to March 4, 2020. On December 8, 2020, the Board of Commissioners adopted Resolution 103 extending the Executive Director's emergency authority through December 31, 2021.~~

~~22.2 Housing Services Program Types~~

~~The following paragraph is added to Section 1.5.2 Housing Services Program Types under the Mainstream Program bullet:~~

~~Due to challenges with locating suitable housing during the COVID-19 emergency, the Mainstream definition of an eligible non-elderly family member is expanded to include those who were issued a voucher prior to turning 62 years of age and were not yet 63 on the effective date of the HAP contract. The expanded definition is available from September 8, 2020 through December 31, 2021 unless further extended by HUD. (Notice PIH 2020-22, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

~~The following paragraph is added to Section 1.5.2 Housing Services Program Types under the Family Unification bullet:~~

~~Until December 31, 2021, HACSB will execute a HAP contract on behalf of any otherwise eligible FUP youth not more than 25 years of age. (Notice PIH 2021-14)~~

~~22.3 Waiting List and Initial Eligibility~~

~~The following paragraph is added to Section 2.3 Completion of a Full Application:~~

~~During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for applicants to provide records and documents needed to determine initial eligibility for the program. If documents are missing from the Full Application packet, an applicant will be given at least two (2) notices to submit the requested items. Applicants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis. For non-Community Planning & Development (CPD) programs, the documentation of Social Security number may be waived according to section 7.4.2. (Notice PIH 2021-14)~~

~~22.4 Definition of Household Members~~

~~The following paragraph is added to Section 4.10.8 Absence of Entire Family:~~

~~During the COVID-19 emergency but no later than December 31, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing homes, and caring for family members. Effective November 30, 2020, documentation must be maintained in the tenant file which explains the extenuating circumstances that caused the extended absence. (Waiver authority under Notice PIH 2020-05, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

22.5 Annual Income, Adjusted Annual Income and Family Share Calculation

The following paragraphs are added to Section 6.4.7.2 Temporary Hardship Exemption:

~~During the COVID-19 emergency,~~ SLA families experiencing a significant loss of income as a result of a~~the~~ current crisis may be approved for a hardship exemption for six months. This new hardship exemption category will follow the application, review and approval policies and procedures currently in place for other hardship categories. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment No. 2)

The loss of income as a result of the ~~current~~ crisis could include but is not limited to:

- Closure of place of work;
- Reduced hours;
- Unable to work due to lack of child care or school closure;
- Developing symptoms or being hospitalized;
- Being quarantined; or
- Caring for a sick family member.

~~Effective March 19, 2020, the following policies apply to the COVID-19 Hardship Exemptions and the period of applicability is subject to available COVID-19 funding:~~

- ~~A COVID-19 hardship request will be accepted even if the family was already approved for another hardship exemption within the last twelve months. This may include more than one COVID-19 hardship exemption for two separate events, such as reduction in hours followed by layoff.~~
- ~~If a family has an approved hardship exemption for loss of income that is expiring between April 1 and July 31 (unless further extended), the family may request a COVID-19 hardship exemption to extend the existing hardship rent for 6 more months if they have been unable to secure new employment or secured new employment but were laid off again due to COVID-19. This "extension" will be processed as a new COVID-19 hardship exemption.~~
- ~~Approved COVID-19 hardship exemptions may be extended initially for up to six additional months and in subsequent three month increments if the resident's circumstances have not changed at the end of the first exemption period. Extensions are subject to available funding and may not extend beyond December 31, 2021.~~
- ~~Rent adjustments will be made the 1st of the month following the date of the receipt of the written request with the exception of requests received on the 1st of the month immediately following a weekend or holiday. Those requests will be processed effective the 1st of that particular month.~~
- ~~Third party written documentation of a COVID-19 related income loss will be requested. If documentation is not available, the HSS will attempt to obtain a verbal verification. If a verbal verification cannot be obtained, a tenant declaration will be accepted.~~

~~22.6 Verification Policies~~

~~The following paragraph is added to Section 7.2.1 General Verification Policies:~~

~~During the COVID-19 emergency and until December 31, 2021, the third party verification requirements for an applicant are waived for non-CPD programs. HACSB will consider self-certification as the highest form of income verification when other documentation is unavailable. Following admission of the applicant into the program, HACSB will review~~

~~the EIV Income and IVT Reports to confirm the family reported income within 90 days of admission. (Waiver authority under Notice PIH 2021-14)~~

~~The following paragraph is added to Section 7.3.1 General Verification Policies for Continued Assistance for MTW Programs:~~

~~During the COVID-19 emergency and until December 31, 2021, use of the verification hierarchy, including use of EIV, are waived. HACSB may consider self-certification as the highest form of income verification when other documentation is unavailable. (Waiver authority under Notice PIH 2021-14)~~

~~The following paragraph is added to Section 7.4.2 Social Security Number:~~

~~During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify social security number documentation is waived. An applicant may be admitted based upon the social security number declared by the applicant for non-CPD programs. However, the required documentation to verify the social security number must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)~~

~~The following paragraph is added to Section 7.4.3 Documentation of Age:~~
~~During the COVID-19 emergency and until December 31, 2021, HACSB will accept self-certification of date of birth if a higher level of verification is not immediately available for non-CPD programs. However, the applicant must provide the required documentation to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)~~

~~The following paragraph is added to Section 7.4.6 Documentation of Disability:~~
~~During the COVID-19 emergency and until December 31, 2021, HACSB may accept self-certification of disability if a higher level of verification is not immediately available for admission to non-CPD programs. However, the Certificate of Disability must be received by HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)~~

~~The following paragraph is added to Section 7.4.7 Citizenship or Eligible Immigration Status:~~
~~During the COVID-19 emergency and until December 31, 2021, the requirement to obtain and verify documentation evidencing eligible noncitizen status is waived for non-CPD programs. An applicant may be admitted based on self-certification. However, the required documentation to verify eligible immigration status must be submitted to HACSB within 90 days following admission. (Waiver authority under Notice PIH 2021-14)~~

~~22.7 Family Obligations Agreement/Voucher Term~~
~~The following paragraph is added to Section 8.6.1 Extensions:~~

~~During the COVID-19 emergency, the Family Obligations Agreement/Voucher was placed on temporary suspense. The suspense period began on March 19, 2020.. Any voucher placed on suspense that had remaining time on the voucher or available extensions received the remaining time when the suspense period ended on March 19, 2021, and the voucher holder could request additional extensions if available. If the voucher was issued between March 19, 2020 and February 11, 2021, the voucher was reissued on March 19, 2021.The voucher was not placed on suspense if the voucher holder was not actively engaged in their housing search.~~

~~Due to an increase in COVID-19 cases, all FOAs/vouchers that are active on August 23, 2021 are given an automatic extension through December 31, 2021. If the family is on the final extension on August 23, 2021 the expiration date is reset to December 31, 2021. If the voucher is not on its final extension, the extension of time through December 31, 2021 will not count toward any other extensions that the family may be eligible to receive. New vouchers issued August 30, 2021 or later are issued to March 2, 2022. This term includes the period through December 31, 2021 plus the initial 60-day search term. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13 and Notice PIH 2020-33, REV-2)~~

22.8 Request for Tenancy Approval & Contract Execution

~~The following paragraph is added to Section 9.13 Contract Execution Process:~~
~~During the COVID-19 emergency and until December 31, 2021, the HAP Contract must be executed within 120 days of the effective date. HACSB will not pay the owner until the HAP contract is executed. (Waiver authority under Notice PIH 2021-14)~~

The following paragraph is added to Section 9.20 Changes in Lease or Rent:
~~During the COVID-19 emergency,~~ HACSB ~~will~~ may defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

22.9 Inspections Standards

The following paragraphs are added to Section 10.1.1 Initial Inspection:
~~During the COVID-19 emergency,~~ HACSB may defer in-person initial inspections unless a lock-box is installed at the unit or a Remote Video Inspection (RVI) can be conducted. An RVI is equivalent to an in-person inspection. An RVI is a regular inspection performed remotely via a live audio and video connection by an inspector directing a “proxy” inspector during the inspection. In lieu of the in-person inspection or RVI, HACSB will accept self-certification by the property owner/manager that the unit meets all inspection requirements and that there are no life-threatening deficiencies. HACSB may require photographs to accompany the self-certification for some inspection components.

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an RVI or in-person inspection to confirm that the unit meets inspection requirements. For these families, the deferred initial inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

~~For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, HACSB may defer in-person initial inspections no later than December 31, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than June 30, 2022. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) In the event that the unit does not pass the inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.~~

~~For HOPWA and CoC programs, self-certification may be used in lieu of an in-person inspection through June 30, 2021. An in-person inspection will be conducted no later than three (3) months after health officials determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated March 31, 2020 and HUD CPD Memorandum dated March 31, 2021)~~

The following paragraph is added to Section 10.1.2 Annual and Biennial Inspections:
~~During the COVID-19 emergency,~~ HACSB may postpone in-person annual and biennial inspections. For Term-Limited Lease Assistance, Streamlined Lease Assistance, and Traditional Assistance for MTW families, HACSB may extend the validity of a family's most recently completed biennial inspection by one year. If the inspection is postponed by one year, the due date of the family's next biennial inspection will be one year from the original due date. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

~~For Traditional, Regulatory Assistance for Special Purpose Programs including VASH, the annual or biennial inspection may be postponed until it is safe to resume in-person inspections but no later than December 31, 2021 or HUD approved extension. For inspections normally due November 30, 2020 or later, the owner must provide a certification that the owner has no knowledge that life-threatening conditions exist in the unit. Deferred inspections must be conducted by June 30, 2022 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

~~For the CoC and HOPWA programs, the in-person inspection may be deferred until June 30, 2021, but must be conducted no later than three (3) months after health officials~~

~~determine special measures to prevent the spread of COVID-19 are no longer necessary. (Waiver authority under HUD CPD Memorandum dated March 31, 2020 and HUD CPD Memorandum dated March 31, 2021)~~

The following paragraph is added to Section 10.1.3 Reinspection:
~~During the COVID-19 emergency,~~ HACSB ~~will~~ may not conduct in-person reinspections. In lieu of the in-person reinspection, HACSB may conduct an RVI or accept a certification of repairs from the tenant and owner along with photographs, invoices, or receipts to document the completion of the repairs requested by HACSB. No in-person reinspection will be conducted at a later date to confirm the repairs. (24 CFR 982.405 does not require in-person confirmatory reinspections)

~~The following paragraph is added to Section 10.1.4 Special/Complaint Inspections:~~
~~During the COVID-19 emergency but no later than December 31, 2021 or HUD approved extension, HACSB may not conduct in-person special/complaint inspections. In lieu of the in-person inspection, HACSB will conduct an RVI or notify the owner of the deficiencies, and the owner must either correct the deficiencies with 30 days or 24 hours for life threatening deficiencies or provide documentation that the reported deficiency does not exist. HACSB will accept a certification along with photographs or other documentation to support the correction of the deficiencies. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

~~The following paragraph is added to Section 10.1.5 Quality Control Inspections:~~
~~During the COVID-19 emergency and through the remainder of the Fiscal Year, HACSB may not conduct in-person HQS Quality Control Inspections. Quality Control Inspections must resume by December 31, 2021 or HUD approved extension. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

22.10 Owner Rents, Rent Reasonableness and Payment Standards

The following paragraph is added to Section 11.5.1 Term-Limited Lease Assistance Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:
The Local Payment Standards will be reviewed each fiscal year unless extenuating circumstances prevent the update from taking place. In the event of a delay, HACSB will update the Local Payment Standards as soon as circumstances permit. (Activity 12: Local Payment Standards and Alternative Flat Rents, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 11.6 Rent to Owner Increases:

~~During the COVID-19 emergency,~~ HACSB ~~will~~ may defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2~~, implemented 6/10/2020 and ended 12/31/2020~~)

22.11 Recertifications

The following paragraph is added to Section 12.1.1 Term-Limited Lease Assistance:
~~Due to the COVID-19 emergency,~~ HASCB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial recertification will be one year from the original due date, and future recertifications will follow the biennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.1.2 Streamlined Lease Assistance and Veterans Affairs Supportive Housing (VASH) Programs:
~~Due to the COVID-19 emergency,~~ HASCB may extend the validity of a family's most recently completed biennial or triennial recertification by one year. The due date of the family's next biennial or triennial recertification will be one year from the original due date, and future recertifications will follow the biennial/triennial schedule. (Activity 4: Biennial and Triennial Recertifications, 2020 MTW Plan Amendment No. 2)

The following paragraph is added to Section 12.2 Scheduling Recertifications:
During a local disaster, emergency, or crisis situation, HACSB will extend deadlines for participants to provide records and documents needed to determine ongoing eligibility for the program. If documents are missing from the Recertification packet, a participant will be given at least two (2) notices to submit the requested items. Participants requesting extensions will be granted at least ten (10) additional days or other reasonable extension on a case by case basis.

~~The following paragraph is added to Section 12.9.5 Traditional, Regulatory Assistance for Special Purpose Programs:~~
~~During the COVID19 emergency, zero HAP families whose six month grace period is ending between April 1, 2020 and September 30, 2020 will be granted a six month extension up to December 31, 2020. (Waiver authority under Notice PIH 2020-05)~~

The following paragraph is added to Section 12.10.1 Hardship Exemption of Over-Income Families:
~~During the COVID-19 emergency,~~ HACSB ~~will~~ may extend the grace period for another six months for over-income families ~~whose end of term is scheduled between April 1, 2020 and September 30, 2020~~. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher, 2020 MTW Plan Amendment No. 2)

~~22.12 Contract Terminations~~

~~The following footnotes are added to Section 14.3 Termination of the Contract by the Housing Authority:~~

~~(1) During the COVID-19 emergency but no later than December 31, 2021, a family may be absent from the unit for more than 180 days due to extenuating circumstances related to the emergency, including, but not limited to, hospitalization, extended stays at nursing homes, and caring for family members. (Waiver authority under Notice PIH 2020-05 and extended under Notice PIH 2020-33, REV-2 and PIH Notice 2021-14)~~

~~(2) During the COVID-19 emergency, over-income SLA, TLA, and MTW families scheduled to expire between April 1 and September 30, 2020 will be extended six months. (Activity 24: Transition of Over-Income Public Housing/Housing Choice Voucher Families, 2020 MTW Plan Amendment No. 2) Zero HAP Contracts will be extended six months but such extensions shall not extend beyond December 31, 2020. (Waiver authority under Notice PIH 2020-05)~~

22.13 Termination of Assistance and Informal Hearing Policies

The following paragraph is added to Section 16.2.2.1 Term-Limited Lease Assistance Program:

~~During the COVID-19 emergency, t~~The end of term (EOT) for any TLA participant with an EOT or extension EOT ~~scheduled to occur between April 1 and September 30, 2020, will~~may be delayed by six months. This timeframe may be extended to comply with local, state, and federal guidance/requirements surrounding the ~~current~~ crisis (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)

~~The following paragraph is added to Section 16.2.2.1.5 Total Term of Assistance:~~
~~During the COVID-19 emergency, the end of term (EOT) for any TLA participant with an EOT or extension EOT scheduled to occur between April 1 and September 30, 2020, will be delayed by six months. The seven (7) year limitation on assistance is lifted for COVID-19 extensions only. (Activity 20: Term-Limited Lease Assistance, 2020 MTW Plan Amendment No. 2)~~

22.14 Portability

The following paragraph is added to Section 19.5 Incoming Portability Families:

~~During the COVID-19 emergency,~~ HACSB may temporarily suspend~~ed~~ acceptance of Housing Choice Voucher Program port-ins (excluding VASH) from other housing authorities ~~effective April 9, 2020. HACSB resumed processing of incoming portability requests on December 1, 2020~~. (Activity 8: Local Policies for Portability, 2020 MTW Plan Amendment No. 2)

22.15 Project-Based Assistance Program

The following paragraphs are added to Section 20.4.2 Turnover Inspections:

~~During the COVID-19 emergency,~~ HACSB ~~will~~ may defer in-person PBV unit turnover inspections unless an RVI can be conducted or a lock-box is installed at the unit. In lieu of the inspection, HACSB will accept self-certification by the family and property owner/manager that the unit meets all inspection requirements and that there are no life-threatening deficiencies. HACSB will require photographs to accompany the self-certification for some inspection components.

For Term-Limited Lease Assistance, Streamlined Lease Assistance and Traditional Assistance for MTW Families, as soon as it is safe, feasible, and practical to do so, HACSB will conduct an inspection to confirm that the unit meets inspection requirements. For these families, the deferred initial inspections will be prioritized for processing as soon as HACSB is able to resume processing inspections. In the event that the unit does not pass the inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections. (Activity 13: Local Inspection Policies, 2020 MTW Plan Amendment 2)

~~For VASH PBV, HACSB will resume in person inspections no later than December 31, 2021 or HUD approved extension. A deferred initial inspection where a self-certification was used will be inspected no later than June 30, 2022 (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14) In the event that the unit does not pass the inspection, HACSB will follow the same policies and procedures applicable to failed biennial inspections.~~

~~The following paragraph is added to Section 20.4.3 Annual Inspections:~~
~~During the COVID-19 emergency, HACSB may postpone PBV annual inspections. The annual inspection may be postponed until it is safe to resume in-person inspections but no later than December 31, 2021 or HUD approved extension. Deferred inspections must be conducted by June 30, 2022. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-1, and Notice PIH 2021-14)~~

The following paragraph is added to Section 20.6.2 Determining Contract Rent to Owner:
~~During the COVID-19 emergency,~~ HACSB ~~will~~ may defer processing of rent increases to the earliest practical and feasible date. (Activity 22: Streamlined Lease Assistance Program, 2020 MTW Plan Amendment 2)

The following paragraph is added to Section 20.7.2.1 No Child Left Unsheltered (NCLU):
~~During the COVID-19 emergency, s~~Supportive services provided to NCLU families may be reduced and/or deferred based on the availability and ability of HACSB staff and partners to provide those services. Services will resume as soon as it is safe, feasible, and practical to do so. (Activity 23: No Child Left Unsheltered (NCLU), 2020 MTW Plan Amendment No. 2)

~~The following paragraph is added to Section 20.22 Adding, Substituting or Removing Units from the HAP Contract:~~

~~During the COVID-19 emergency, a unit may be kept under HAP contract due to a zero HAP family beyond 180 days but no later than December 31, 2021. Additionally, housing assistance payments may resume if the family's income changes at any point during the period of time covered by the extension. Extensions will not be automatic and will only be provided for extenuating circumstances, such as illness of a family member, to prevent homelessness, or as a reasonable accommodation. This waiver does not apply to RAD legacy families covered under Section 20.9.2.1. (Waiver Authority under Notice PIH 2020-33, REV-1 and Notice PIH 2021-14)~~

~~20.16 Homeownership Program~~

~~The following paragraph is added to Section 21.7 Home Inspections, Contract Of Sale, and Housing Authority Disapproval of Seller:~~

~~During the COVID-19 emergency but no later than December 31, 2021 or HUD approved extension, HACSB may conduct an RVI or in-person inspection if the home is vacant and a lock box is provided. Otherwise, HACSB will review the independent inspection and may disapprove the unit if information in the inspection report lists violations. (Waiver authority under Notice PIH 2020-05; extended under Notice PIH 2020-13, Notice PIH 2020-33, REV-2, and Notice PIH 2021-14)~~

~~The following paragraph is added to Section 21.10 Maximum Term of Homeownership Assistance:~~

~~HACSB may extend homeownership assistance for up to one additional year if the family is experiencing a financial hardship as a result of the COVID-19 pandemic and the family's term of assistance is ending prior to December 31, 2021. (Notice PIH 2021-14)~~

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

August 11, 2026

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

SUBJECT
Contract Amendment with Potomac Partners DC for Legislative Consultant Services

RECOMMENDATION(S)
1. Approve Amendment No. 2 to Contract No. PC1297, effective October 1, 2026, with Potomac Partners DC increasing the current contract by $156,000 for a total amount not to exceed $780,000 through September 30, 2027.
2. Authorize and direct the Executive Director to execute and deliver the contract amendment to Potomac Partners DC and, upon consultation with Legal Counsel, approve any non-substantive revisions necessary to complete the transaction.

(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 #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
This item is not expected to exceed $780,000 through September 30, 2027. Non-federal funds are used to pay for these consulting services. The amount for Fiscal Year 2027 is included in the budget and will be included in subsequent fiscal year budgets.

BACKGROUND INFORMATION
The Housing Authority of the County of San Bernardino (HACSB) has been very successful in creating relationships with officials from the United States Department of Housing and Urban Development's (HUD) Washington, D.C. office, members of Congress and their staff, housing advocacy groups, and other federal agencies. Potomac Partners DC (PPDC) has been instrumental in developing these relationships, leveraging their own established relationships with members of Congress and their staff. PPDC has helped HACSB develop relationships with key committee members and congressional staff beyond the California delegation, including Appropriations Committees, Committees on Veterans' Affairs, the House Financial Services Committee, and the Senate Committee on Banking, Housing, and Urban Affairs. These relationships have helped HACSB shape federal housing policy and assisted in advancing affordable housing efforts, including the 10-year extension of the Moving to Work designation approved by Congress in 2024, and securing three Community Project Funding awards totaling $8.6 million through Representative Pete Aguilar to support our redevelopment efforts at Arrowhead Grove. In addition, PPDC regularly communicates with our members of Congress and relevant committees regarding HACSB's needs, priorities, and successful efforts. PPDC also

monitors relevant legislation and consults with HACSB staff regarding how to approach our advocacy efforts. PPDC provides a monthly report summarizing this work.

PROCUREMENT

The Procurement and Contracts Department previously advertised a Request for Proposals (RFP) for Legislative Consultant Services (RFP PC1297) on June 28, 2022, which resulted in the receipt of one proposal. Outreach efforts included email invitations via Planet Bids, our eBidding website to four vendors, and posting on the agency's external website. The proposal was evaluated per the requirements of the RFP where PPDC has been deemed responsive, reasonably priced, and qualified to provide this service to HACSB.

On September 13, 2022, the Board of Commissioners of HACSB awarded a contract to Potomac Partners DC (PPDC) in the amount of $468,000 for a three-year base period beginning on October 1, 2022, through September 30, 2025, with options to extend the contract up to two single-year extensions through September 30, 2027.

On July 8, 2025, the Board of Commissioners of HACSB approved Amendment No. 1 to exercise the first option year and increase the current contract by $156,000 for a total not to exceed $624,000 effective October 1, 2025, through September 30, 2026.

ITEM ATTACHMENTS

- Contract - Amendment No. 2 – PC1297 Legislative Consultant Services (Potomac Partners DC)

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on July 23, 2026.

AMENDMENT #2 TO CONTRACT FOR LEGISLATIVE CONSULTANT SERVICES (PC1297)

BETWEEN

THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

And

POTOMAC PARTNERS DC

This Amendment No. 2 ("Second Amendment"), dated October 1, 2026 ("Effective Date"), to Agreement for Legislative Consultant Services (PC1297), is entered into by and between the Housing Authority of the County of San Bernardino, a California public body, ("Authority") and Potomac Partners DC ("Contractor").

RECITALS

WHEREAS, the Authority and Contractor entered into that certain Consulting, Services, and Non-Routine Maintenance Related Services Agreement (Non-Construction), dated October 1, 2022 relating to Legislative Consulting Services ("Agreement") with a total price of $468,000;

WHEREAS, the Authority and Contractor entered into Amendment No. 1 to exercise the first option year and increase the contract amount by $156,000 for a total amount not-to-exceed $624,000 through September 30, 2026.

WHEREAS, the Authority and Contractor now wish to enter into this Second Amendment to the Agreement to exercise the last option year and increase the contract amount by $156,000 for a total amount not-to-exceed $780,000 through September 30, 2027.

OPERATIVE PROVISIONS

NOW, THEREFORE, the foregoing Recitals being true and correct, and in consideration of the mutual covenants and obligations contained in this Second Amendment by the parties and other consideration, the sufficiency of which is hereby expressly acknowledged, the Parties hereto agree as follows:

Section 1. Article 3 of the Agreement is hereby amended to extend the term for an additional one (1) year and expiring on September 30, 2027. Except as so amended, the other provisions of Article 3 shall remain unmodified and in full force and effect.

Section 2. Article 4 of the Agreement, entitled "Price" is hereby amended to increase the compensation payable to Contractor for the provision of the Work for the total not-to-exceed sum as shown in the Total Agreement Cost set forth on Exhibit "A-1. Except as so amended, the other provisions of Article 4 shall remain unmodified and in full force and effect.

Section 3. Continuing Effect of Agreement. Except as amended by this Second Agreement, all provisions of the Agreement, as amended, shall remain unchanged and in full force and effect. From and after the date of this Second Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by this Second Amendment.

Section 4. Affirmation of Agreement; Warranty Re Absence of Defaults. Authority and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement, as amended. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than by way of this Second Amendment as provided herein. Each party represents and warrants to the other that the Agreement, as amended by this Second Amendment, is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Authority that, as of the date of this Second Amendment, Authority is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Authority represents and warrants to Consultant that, as of the date of this Second Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Section 5. Adequate Consideration. The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Second Amendment.

Section 6. Authorization. The persons executing this Second Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Second Amendment, such party is formally bound to the provisions of this Second Amendment, and (iv) the entering into this Second Amendment does not violate any provision of any other agreement to which said party is bound.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Housing Authority of the County of San Bernardino and Potomac Partners DC hereby execute this Second Amendment.

POTOMAC PARTNERS DC

By:___________________________________

Name:_________________________________

Title:_________________________________

Date:_________________________________

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

By:____________________________________

Name: Maria Razo

Title: __Executive Director___________________

Date:___________________________________

Exhibit A-1

Schedule Dates:

Effective Date: October 1, 2026

Completion Date: September 30, 2027

Total Agreement Cost: Not to exceed $780,000.00

Scope of Services- Fee Schedule:

Legislative Consultant – Annual Pricing (Billed Monthly at $13,000.00)	$156,000.00

Original Agreement Amount Not to Exceed	**$468,000.00**
Net Change Orders Previously Approved	**$0.00**
Net Change Order Previously Approved – Amendment #1	**$156,000.00**
Net Change Order – Amendment #2	**$156,000.00**
Agreement Value as Amended Not to Exceed	**$780,000.00**

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

August 11, 2026

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

SUBJECT
Minutes for Board Meeting Held on July 14, 2026

RECOMMENDATION(S)
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 July 14, 2026.
(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
There is no financial impact to the Housing Authority of the County of San Bernardino (HACSB) associated with this item.

BACKGROUND INFORMATION
The HACSB Board of Commissioners (Board) meeting took place on July 14, 2026. The meeting minutes are attached for review and approval by the Board.

PROCUREMENT
Not applicable

ITEM ATTACHMENTS
- Attachment – Minutes for July 14, 2026 Board Meeting

REVIEW BY OTHERS
This item has been reviewed by General Legal Counsel, Fred Galante, on July 27, 2026.

MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO
July 14, 2026

The Board of Commissioners of the Housing Authority of the County of San Bernardino met in a regular meeting at the Administration Office, at 715 East Brier Drive, San Bernardino, California at 3:00 p.m. on July 14, 2026.

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 at 3:00 p.m., and upon roll call, the following were present:

Vice-Chair MacDuff
Commissioner Thomas
Commissioner Jain
Commissioner Khan

Also in attendance were Maria Razo, Executive Director; Rishad Mitha, Deputy Executive Director; Kristin Maithonis, Director of Housing Services; Nicole Beydler, Director of Policy and Communications; Jesse Diaz, Director of Business Services; Jennifer Dawson, Director of Administrative Services; John Moore, Director of Development; Lucy Leslie, Director of Housing Communities; Eduardo Martinez, Assistant Regional Communities Manager; Garrett Dalton, Information Technology Manager; George Silva, Family Empowerment Services Manager; Edgar Sedano, Junior Project Manager; Renee Kangas, Senior Management Analyst; Shamira Shirley, Management Analyst; Armando Salazar, Management Analyst; Gabrielle Hatfield, Executive Assistant; Daisy Uriarte, Data Specialist.

Also present was Fred Galante, Legal Counsel to the Housing Authority.

2) Additions or Deletions to the Agenda

Vice-Chair MacDuff called for additions or deletions to the July 14, 2026, agenda. There was one amendment from Executive Director, Maria Razo, to modify the agenda order to reflect item #4 as the Board Building Presentation and item #5 as the Executive Director's Report.

3) General Public Comment

Vice-Chair MacDuff provided an opportunity for members of the public to address the Board of Commissioners. There were none.

4) Board Building Presentation

Discussion calendar item number 4, to receive board building presentation for July 14, 2026, an overview on the Housing Authority of the County of San Bernardino's Scholarship Program and an update on the U.S. Department of Housing and Urban Development's Restore Rebuild program was requested.

Family Empowerment Services Manager, George Silva, provided an overview on Scholarship Program.

Executive Director, Maria Razo, and Deputy Executive Director, Rishad Mitha, provided the update on the U.S. Department of Housing and Urban Development's Restore Rebuild program.

Commissioner Johnson joined the meeting at 3:23 p.m.

Discussion amongst the Board took place regarding the discussion calendar item number 4. Recipients of the Housing Authority of the County of San Bernardino's 2026 scholarship awards were invited to share their experiences and to take a group photo with members of the Board.

5) Executive Director's Report

The Executive Director's Report was requested.

Executive Director, Maria Razo, provided the Executive Director's Report. Discussion amongst the Board of Commissioners took place regarding the Executive Director's Report for July 14, 2026.

6) Adoption of Resolution No. 233 approving:

a) **The Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2026-2027.**
b) **The Annual Moving to Work Plan Certifications of Compliance with Regulations to the United States Department of Housing and Urban Development.**

Discussion calendar item number 6, to adopt Resolution No. 233 approving the Housing Authority of the County of San Bernardino's Annual Moving to Work Plan for Fiscal Year 2026-2027 and the Annual Moving to Work Plan Certifications of Compliance with Regulations to the United States Department of Housing and Urban Development.

Commissioner Johnson moved to approve discussion calendar item number 6, as recommended by staff and Commissioner Jain seconded the motion. Upon voice vote, the Ayes and Nays were as follows:

Ayes	Nays
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Thomas	
Commissioner Jain	
Commissioner Khan	

7) Adoption of Resolution No. 234 approving and adopting:

a) **The Fiscal Year 2026-27 Consolidated Annual Budget including operating transfers in/out.**
b) **The Fiscal Year 2026-27 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.**

Discussion calendar item number 7, to adopt Resolution No. 234 approving and adopting: The Fiscal Year 2026-27 Consolidated Annual Budget including operating transfers in/out, the Fiscal Year 2026-27 Public Housing Annual Budget including operating transfers in/out, and any changes to the Consolidated Annual Budget or the Public Housing Annual Budget that the Board of Commissioners may direct.

Commissioner Jain moved to approve and adopt discussion calendar item number 7, as recommended by staff and Commissioner Khan seconded the motion. Upon voice vote, the Ayes and Nays were as follows:

Ayes	Nays
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Thomas	
Commissioner Jain	
Commissioner Khan	

8) Receive the Human Resources report on job vacancies, recruitment, and retention efforts.

Maria Razo, Executive Director, provided the report on job vacancies, recruitment, and retention efforts.

9) Approval of a contract extension for the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for eight scattered site units for the Lantern Woods Continuum of Care program, for an additional five-year period from October 1, 2027, through September 30, 2032.

Discussion calendar item number 9, to approve a contract extension for the Project-Based Voucher Program Housing Assistance Payments Contract with Housing Partners I, Inc. for eight scattered site units for the Lantern Woods Continuum of Care program, for an additional five-year period from October 1, 2027, through September 30, 2032, was requested.

Commissioner Khan moved to approve discussion calendar item number 9, as recommended by staff and Commissioner Thomas seconded the motion. Upon voice vote, the Ayes and Nays were as follows:

Ayes	Nays
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Thomas	
Commissioner Jain	
Commissioner Khan	

10) Approval of purchase orders via a cooperative agreement with Home Depot U.S.A. Inc. and HD Supply Facilities Maintenance Ltd. for a five-month period beginning August 1, 2026, through December 31, 2026, for the purchase of maintenance repair, operating supplies, and services through a cooperative agreement with OMNIA Partners in a total amount not to exceed $324,738.

Discussion calendar item number 10, to approve purchase orders via a cooperative agreement with Home Depot U.S.A. Inc. and HD Supply Facilities Maintenance Ltd. for a five-month period beginning August 1, 2026, through December 31, 2026, for the purchase of maintenance repair, operating supplies, and services through a cooperative agreement with OMNIA Partners in a total amount not to exceed $324,738, was requested.

Commissioner Johnson moved to approve discussion calendar item number 10, as recommended by staff and Commissioner Thomas seconded the motion. Upon voice vote, the Ayes and Nays were as follows:

Ayes	Nays
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Thomas	
Commissioner Jain	
Commissioner Khan	

11-13) Consent Calendar

Approval of the consent calendar including agenda items numbers 11-13 was requested. Commissioner Jain moved to approve consent calendar agenda items numbers 11-13:

11) 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 9, 2026.

12) Approve and file agency-wide financial statements through February 2026.

13) Approve the expense of uncollectable vacated tenant accounts for the Authority Owned Portfolio to be written off as collection losses for the month of April 2026.

The motion was duly seconded by Commissioner Khan. Upon voice vote, the Ayes and Nays were as follows:

Ayes	Nays
Vice-Chair MacDuff	
Commissioner Johnson	
Commissioner Thomas	
Commissioner Jain	
Commissioner Khan	

14) Individual Board Member Comments

Vice-Chair MacDuff provided an opportunity for individual board member comments.

Vice-Chair MacDuff commented on the 21st Century Road to Housing Act and noted bi-partisan support as the House passed the vote of 358-32 and the Senate 85-5.

There being no other business, Commissioner Johnson motioned for the July 14, 2026, meeting to be adjourned, and which motion was duly seconded by Commissioner Thomas. There being no objection to the call for adjournment, the meeting was adjourned by unanimous consent at 4:27 p.m.

Attest:

____
Secretary

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

August 11, 2026

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

SUBJECT
Agency-Wide Financial Statements Through March 2026

RECOMMENDATION(S)
Approve and file agency-wide financial statements through March 2026.
(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) fiscal year-to-date agency-wide net gain through March 2026 is $3,146,365 with a variance of $5,859,104 when compared to the budgeted net loss of $(2,712,739). This difference between what was budgeted and the actual income statement can be attributed to the following:

- The HCV program experienced a decrease in HAP expenses in the amount of $4.8 million. This difference is due to two factors:
  - The budgeted amount does not take into consideration the implementation of the increased tenant portion percentage to 36% of income that was implemented during the fiscal year. This implementation resulted in decreases in expenses as was the intent.
  - The per unit cost (PUC) increase anticipated in the budget was lower than projected, resulting in lower expenses.
    - This outcome stems from several factors in the local rental market and program operations:
      - Continued softening of the rental market
      - California's Tenant Protection Act (AB 1482) lowered the maximum allowable annual rent increase for covered properties in the Riverside Area (including San Bernardino County) from 9.3% (effective through July 31, 2025) to 7.5% (effective August 1, 2025–July 31, 2026), further constraining landlord rent increase requested amounts.
  - A hold on waitlist pulls and new leasing activity which limited turnover and new admissions—many of which tend to have higher PUCs due to current market conditions.
- The tenant income was $1.8 million higher than the budgeted amount, mostly due to an increase in rental income.

- Physical needs work was ~$800,000 less than budgeted. This amount is reflected in the extraordinary maintenance line on the financial statements, and the variance is due to some projects catching up due to staff turnover. Health and Safety items continue to get priority attention.
- A decrease of $1.5 million in administrative expenses mostly due to vacant positions and delayed invoices (due to timing) for administrative expenses.
- Non-operating items, including depreciation, gains and losses on the disposition of fixed assets, and debt forgiveness, are not budgeted and totaled approximately $1.3 million. The debt forgiveness relates to the Yucaipa Crest property, which included a contractual debt forgiveness clause triggered at the end of its affordability period. These items are primarily non-cash in nature, required under GAAP accrual accounting, and do not impact the Agency's cash flow.

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.

Financial Summary	FY 2026 YTD
Revenues	$127,001,450
Expenses	$(122,604,468)
Operating Net Income/(Loss)	$ 4,396,983
Operating Transfers/Non-Operating Items	$(1,250,618)
Net Income/(Loss)	$ 3,146,365

BACKGROUND INFORMATION

HACSB is the largest provider of affordable housing in San Bernardino County, administering multiple housing programs, including the Housing Choice Voucher (HCV) program and owns and operates a multi-family portfolio. The HCV program provides tenant-based subsidies, enabling low-income families to afford safe, quality housing in the private market, complementing our portfolio of physical units. The FFY 2025-26 budget and financial operations align with HACSB's vision, mission, Strategic Plan, and MTW Annual Plans, supporting affordable housing and community development across the county. 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 the best practice to apprise HACSB's Board of Commissioners on the agency's financial position, HACSB is presenting the financial statements monthly.

PROCUREMENT

Not applicable

ITEM ATTACHMENTS

- Attachment – HACSB Budget Comparison 03.2026

REVIEW BY OTHERS

This item has been reviewed by General Legal Counsel, Fred Galante, on August 3, 2026.

HACSB
Budget Comparison
Period = Oct 2025-Mar 2026

	YTD Actual	YTD Budget	Variance	% Var	Annual
INCOME					
TENANT INCOME					
Total Rental Income	20,476,488	18,922,320	1,554,168	8.21	37,844,571
Total Other Tenant Income	596,294	309,456	286,839	92.69	615,078
NET TENANT INCOME	21,072,782	19,231,776	1,841,007	9.57	38,459,649
GRANT INCOME					
TOTAL GRANT INCOME	101,434,180	103,620,555	-2,186,375	-2.11	207,241,109
OTHER INCOME					
TOTAL OTHER INCOME	4,494,488	4,426,177	68,311	1.54	10,069,098
TOTAL INCOME	127,001,450	127,278,508	-277,057	-0.22	255,769,856
EXPENSES					
GRANT EXPENSES					
TOTAL GRANT EXPENSES	2,446,830	2,609,000	162,170	6.22	5,218,000
ADMINISTRATIVE					
Total Administrative Salaries	8,948,435	10,084,302	1,135,867	11.26	21,072,846
Total Legal Expense	320,827	334,945	14,118	4.21	668,848
Total Other Admin Expenses	4,619,371	4,927,310	307,940	6.25	9,968,590
Total Miscellaneous Admin Expenses	1,568,826	1,873,181	304,355	16.25	2,931,851
TOTAL ADMINISTRATIVE EXPENSES	15,457,460	17,219,739	1,762,279	10.23	34,642,135
TENANT SERVICES					
TOTAL TENANT SERVICES EXPENSES	42,970	92,230	49,260	53.41	186,610
UTILITIES					
TOTAL UTILITY EXPENSES	2,317,342	2,494,826	177,484	7.11	5,024,688
MAINTENANCE AND OPERATIONS					
Total General Maint Expense	2,197,245	2,084,761	-112,485	-5.40	4,281,778
Total Materials	684,701	641,079	-43,621	-6.80	1,281,843
Total Contract Costs	2,548,261	2,390,502	-157,759	-6.60	4,770,102
TOTAL MAINTENANCE EXPENSES	5,430,206	5,116,342	-313,864	-6.13	10,333,723
GENERAL EXPENSES					
TOTAL GENERAL EXPENSES	1,647,630	1,559,321	-88,309	-5.66	2,988,262
EXTRAORDINARY MAINTENANCE EXPENSES					
TOTAL EXTRAORDINARY MAINTENANCE EXPENSES	1,591,118	2,431,954	840,836	34.57	3,736,804
HOUSING ASSISTANCE PAYMENTS					
TOTAL HOUSING ASSISTANCE PAYMENTS	92,645,220	97,436,562	4,791,342	4.92	194,873,123
FINANCING EXPENSE					
TOTAL FINANCING EXPENSES	1,025,691	1,031,272	5,581	0.54	2,097,206
TOTAL OPERATING EXPENSES	122,604,468	129,991,246	7,386,779	5.68	259,100,551
OPERATING NET INCOME	**4,396,983**	**-2,712,739**	**7,109,721**	**262.09**	**-3,330,695**
NET OPERATING TRANSFER IN/OUT	0	0	0	N/A	0
NON-OPERATING ITEMS					
TOTAL NON-OPERATING ITEMS	1,250,618	0	-1,250,618	N/A	0
NET INCOME	3,146,365	-2,712,739	5,859,104	215.98	-3,330,695