

Annual PHA Plan
(Standard PHAs and
Troubled PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0226
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Public Comment 9/19/24

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A. PHA Information.																																					
A.1	<p>HA Name: <u>Anniston Housing Authority</u> PHA Code: <u>AL004</u> PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>4/2025</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>582</u> Number of Housing Choice Vouchers (HCVs) <u>588</u> Total Combined Units/Vouchers <u>1170</u> in HUD PIC 9/17/24. PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p>Availability of Information. PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>This plan is available to view in ALL AHA offices. This plan is located on the AHA website. Resident Council members are provided a copy for review. A copy of the plan is available upon request.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1"><thead><tr><th rowspan="2">Participating PHAs</th><th rowspan="2">PHA Code</th><th rowspan="2">Program(s) in the Consortia</th><th rowspan="2">Program(s) not in the Consortia</th><th colspan="2">No. of Units in Each Program</th></tr><tr><th>PH</th><th>HCV</th></tr></thead><tbody><tr><td>Lead PHA:</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table>					Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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B. Plan Elements																																					

<p>B.1</p>	<p>Revision of Existing PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Grievance Procedures.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Homeownership Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Safety and Crime Prevention.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Pet Policy.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Asset Management.</p> <p><input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p> <p>Attachment B</p>
<p>B.2</p>	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Occupancy by Police Officers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Project-Based Vouchers. – Attachment C</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
<p>B.3</p>	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>The Anniston Housing Authority is continuing in its 5-Year Plan. The following are our goals for this plan:</p> <ul style="list-style-type: none"> • Continue aggressive marketing efforts to decrease the vacancy to a minimum of 2% vacancies in public housing. Currently, 17 units are HUD approved moderation units until 12/31/24. We are at 88.49 % occupied with a 11.51% vacancy on 7/23/24. • AHA received a Standard Performer rating. We continue to strive to increase this rating back to a high performer status under the PHAS system. • HCV program is designated as a "standard performer" in SEMAP. The HCV waiting is closed with 175 pending applications. • Barber Terrace which is fully occupied and a successful RAD conversion. • Residents can pay their rent and place work orders through the website. The public can fill out preliminary applications online as well. We have created two social media accounts; Instagram & Facebook to reach the public in a more effective way. • We continue to make our best efforts to reach residents AHA will implement "Mass Notification" through our SACS system. This will allow AHA to send mass texts and emails to all residents.

	<ul style="list-style-type: none"> • Encourage participation in the AHA Employment Training Center to give staff and residents an opportunity to develop employment skills that will become a catalyst for economic revitalization in the City of Anniston. • Explore alternative funding methods such as Mixed Finance including LIHTC to modernized public housing properties beyond HUD Capital Fund Programs. • Promote economic independence and self-sufficiency of families and individuals. • 2024 award for the ROSS-FSS Coordinator position from HUD. • Implementation in progress for the AHA Section 8 Homeownership program. • Continue to work with modernization funding to improve key REAC/NSPIRE inspection areas and make modest improvements for our residents. • Continue work on a Development Strategy to address the long-term viability and sustainability of AHA developments. • A Section 18 demolition application was submitted and approved for Glen Addie Homes, the property has been demolished. • A 5-year Capital Fund Action Plan including the installation of exterior storm doors for Washington and Parkwin Homes, creation of the Constantine Envision Center, Constantine & Tinsley received interior and exterior improvements and completed sidewalk repair/replacement and repaving. Norwood Homes created a covered/fenced parking area for maintenance and that included camera's & lighting installation for the administrative & maintenance offices and select exterior buildings. • The AHA submitted a 2024 HUD Safety & Security grant for security camera systems and lighting for Tinsley Manor, Parkwin, Fairview & Washington Homes but was not chosen for the award.
B.4	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved.</p> <p>EPIC approved 2023-2027 Approved on 1/30/24 PHA Plan Update</p> <p>Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:</p> <p><i>The following are proposed changes to be included in the plan:</i></p> <p><u>Public Housing Program/ACOP</u></p> <p>General program clarifications and/or changes to definitions. Family Self Sufficiency (FSS) requirements. Policy required termination of families exceeding the over income limit. Removed truancy and resident id policy.</p> <p><u>Housing Choice Voucher Program:</u></p> <p>General program clarifications and/or changes to definitions. Create the HCV Homeownership program and Family Self Sufficiency (FSS) requirements.</p> <p><u>Annual Plan & 5 Year Plan</u></p> <p>Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:</p> <ul style="list-style-type: none"> • Glen Addie – repave the basketball court, install an outside siting area handicap accessible with new landscaping and sidewalks at main office. Repaving and stripping of central office parking lot. • Glen Addie – Maintenance warehouse HVAC. • Allocation of funding for pre-development cost, development cost, relocation benefits, office relocation and demolition cost as part of the AHA's Development Strategy. RAD funding for pre-closing cost. Environmental studies. • Constantine – Appliance replacement and Interior improvements. • Constantine – roof replacement • Constantine – HVAC replacement for flat units • Constantine – replace all infrared heaters. • Fairview – Install security lighting and exterior cameras. • Fairview – Tree removal as needed. • Fairview – HVAC replacement • Fairview – Roof replacement • Fairview – upstairs subfloor replacement as well as /tile/cabinets countertops/sink/interior painting. • Tinsley Manor – Exterior upgrades to include exterior door replacement with screens, exterior lighting, brick replacement and/or painting and roof replacement. • Tinsley – exterior landscape improvements and repaving/stripping the parking lot. • Norwood – Kitchen cabinet replacement/bathroom sink and flooring upgrade. • Norwood – Replace exterior siding. • Norwood – Roof replacement • Norwood – Exterior door and screen door replacement for both front and rear entrance • Norwood – Create a playground/tot lot area • Norwood – Conversion of HVAC units • Norwood – Create additional parking in other areas. • Norwood – Install seating at the basketball court, resurface and extend court and install concrete pads for benches. • Installation of Exterior lighting for Fairview Terrace, and Tinsley Manor. • Repainting/replacement of exterior siding for Fairview Terrace.

	<ul style="list-style-type: none"> • Parkwin – - Roof replacement • Washington - Roof replacement • Parkwin Washington – HVAC replacement • Washington & Parkwin –countertop replacement, kitchen cabinet replacement, flooring replacement, sink replacement for bathrooms that are not vented properly and interior painting. • Washington & Parkwin – Stove and refrigerator replacement as needed. • Exterior landscaping improves Norwood and Constantine administrative offices. • Relocation payment assistance for Constantine residents • Purchase a 35ft towable boom lift for maintenance. • Car tag readers. • Purchase two vehicles for safety department • Install sealed smoke alarms with sealed batteries in all units. • Emergency safety equipment 10 defibrillators for Public Office /10 updated medial cabinets with supplies/ Eye watering stations for maintenance shops.
B.5	Most Recent Fiscal Year Audit. (a) Were there any findings in the most recent FY Audit? Y N <input type="checkbox"/> <input checked="" type="checkbox"/> (b) If yes, please describe:
C.	Other Document and/or Certification Requirements.
C.1	Resident Advisory Board (RAB) Comments. (a) Did the RAB(s) have comments to the PHA Plan? Y N <input type="checkbox"/> <input checked="" type="checkbox"/> (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.
C.2	Certification by State or Local Officials. Form HUD 50077-SL , <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i> , must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i> , must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y N <input checked="" type="checkbox"/> <input type="checkbox"/> challenged? If yes, include Challenged Elements.
C.5	Troubled PHA. (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> (b) If yes, please describe:
D.	Affirmatively Furthering Fair Housing (AFFH).
D.1	Affirmatively Furthering Fair Housing (AFFH). Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

Describe fair housing strategies and actions to achieve the goal

When it is reasonable, the PHA shall accommodate the needs of a person with disabilities. Examples include but are not limited to • Permitting applications and reexaminations to be completed by mail • Providing “large-print” forms • Conducting home visits • Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability • Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability • Installing a ramp into a dwelling or building • Installing grab bars in a bathroom • Installing visual fire alarms for hearing impaired persons • Allowing a PHA-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit. • Providing a designated handicapped-accessible parking space • Allowing an assistance animal • Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff • Displaying posters and other housing information in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair A person with a disability may require special accommodations in order to have equal access to the public housing program. The types of reasonable accommodations the PHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service.

Instructions for Preparation of Form HUD-50075-ST Annual PHA Plan for Standard and Troubled PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

- A.1** Include the full PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), PHA Inventory, Number of Public Housing Units and or Housing Choice Vouchers (HCVs), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. (24 CFR §903.23(4)(e))

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Plan Elements. All PHAs must complete this section.

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.” (24 CFR §903.7)

☒ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR §5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR §903.7(a)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b)) Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. (24 CFR §903.7(b)) Describe the PHA's procedures for maintain waiting lists for admission to public housing and address any site-based waiting lists. (24 CFR §903.7(b)). A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. (24 CFR §903.7(b)) Describe the unit assignment policies for public housing. (24 CFR §903.7(b))

☒ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing

or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

☒ **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. (24 CFR §903.7(d))

☒ **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA. (24 CFR §903.7(e))

☐ **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants. (24 CFR §903.7(f))

☒ **Homeownership Programs.** A description of any Section 5h, Section 32, Section 8y, or HOPE I public housing or Housing Choice Voucher (HCV) homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

☒ **Community Service and Self Sufficiency Programs.** Describe how the PHA will comply with the requirements of (24 CFR §903.7(l)). Provide a description of: 1) Any programs relating to services and amenities provided or offered to assisted families; and 2) Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs subject to Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) and FSS. (24 CFR §903.7(l))

☒ **Safety and Crime Prevention (VAWA).** Describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must provide development-by-development or jurisdiction wide-basis: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities. (24 CFR §903.7(m)) A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. (24 CFR §903.7(m)(5))

☒ **Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. (24 CFR §903.7(n))

☐ **Asset Management.** State how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory. (24 CFR §903.7(q))

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(ii))

☐ **Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. For modifications resulting from the Rental Assistance Demonstration (RAD) program, refer to the 'Sample PHA Plan Amendment' found in Notice PIH-2012-32 REV-3, successor RAD Implementation Notices, or other RAD Notices.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see 24 CFR 903.2. (24 CFR §903.23(b))

B.2 New Activities. If the PHA intends to undertake any new activities related to these elements in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

☒ **HOPE VI or Choice Neighborhoods.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Choice Neighborhoods; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI or Choice Neighborhoods is a separate process. See guidance on HUD's website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6 . (Notice PIH 2011-47)

☒ **Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/hope6/mfph#4

☒ **Demolition and/or Disposition.** With respect to public housing only, describe any public housing development(s), or portion of a public housing development projects, owned by the PHA and subject to ACCs (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition approval under section 18 of the 1937 Act (42 U.S.C. 1437p); and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed as described in the PHA's last Annual and/or 5-Year PHA Plan submission. The application and approval process for demolition and/or disposition is a separate process. Approval of the PHA Plan does not constitute approval of these activities. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm. (24 CFR §903.7(h))

☒ **Designated Housing for Elderly and Disabled Families.** Describe any public housing projects owned, assisted or operated by the PHA (or portions thereof), in the upcoming fiscal year, that the PHA has continually operated as, has designated, or will apply for designation for occupancy by elderly and/or disabled families only. Include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission; 5) the number of units affected and; 6) expiration date of the designation of any HUD approved plan. Note: The application and approval process for such designations is separate from the PHA Plan process, and PHA Plan approval does not constitute HUD approval of any designation. (24 CFR §903.7(i)(C))

☐ **Conversion of Public Housing under the Voluntary or Mandatory Conversion programs.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

☒ **Conversion of Public Housing under the Rental Assistance Demonstration (RAD) program.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA plans to voluntarily convert to Project-Based Rental Assistance or Project-Based Vouchers under RAD. See additional guidance on HUD's website at: [Notice PIH 2012-32 REV-3, successor RAD Implementation Notices, and other RAD notices](#).

☒ **Occupancy by Over-Income Families.** A PHA that owns or operates fewer than two hundred fifty (250) public housing units, may lease a unit in a public housing development to an over-income family (a family whose annual income exceeds the limit for a low income family at the time of initial occupancy), if all the following conditions are satisfied: (1) There are no eligible low income families on the PHA waiting list or applying for public housing assistance when the unit is leased to an over-income family; (2) The PHA has publicized availability of the unit for rental to eligible low income families, including publishing public notice of such availability in a newspaper of general circulation in the jurisdiction at least thirty days before offering the unit to an over-income family; (3) The over-income family rents the unit on a month-to-month basis for a rent that is not less than the PHA's cost to operate the unit; (4) The lease to the over-income family provides that the family agrees to vacate the unit when needed for rental to an eligible family; and (5) The PHA gives the over-income family at least thirty days notice to vacate the unit when the unit is needed for rental to an eligible family. The PHA may incorporate information on occupancy by over-income families into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.503) (24 CFR 903.7(b))

☐ **Occupancy by Police Officers.** The PHA may allow police officers who would not otherwise be eligible for occupancy in public housing, to reside in a public housing dwelling unit. The PHA must include the number and location of the units to be occupied by police officers, and the terms and conditions of their tenancies; and a statement that such occupancy is needed to increase security for public housing residents. A "police officer" means a person determined by the PHA to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State or local government or by any agency of these governments. An officer of an accredited police force of a housing agency may qualify. The PHA may incorporate information on occupancy by police officers into its PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. See additional guidance on HUD's website at: [Notice PIH 2011-7](#). (24 CFR 960.505) (24 CFR 903.7(b))

☐ **Non-Smoking Policies.** The PHA may implement non-smoking policies in its public housing program and incorporate this into its PHA Plan statement of operation and management and the rules and standards that will apply to its projects. See additional guidance on HUD's website at: [Notice PIH 2009-21 and Notice PIH-2017-03](#). (24 CFR §903.7(e))

☒ **Project-Based Vouchers.** Describe any plans to use Housing Choice Vouchers (HCVs) for new project-based vouchers, which must comply with PBV goals, civil rights requirements, Housing Quality Standards (HQS) and deconcentration standards, as stated in 983.57(b)(1) and set forth in the PHA Plan statement of deconcentration and other policies that govern eligibility, selection, and admissions. If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan (24 CFR §903.7(b)).

☒ **Units with Approved Vacancies for Modernization.** The PHA must include a statement related to units with approved vacancies that are undergoing modernization in accordance with [24 CFR §990.145\(a\)\(1\)](#).

☒ **Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

For all activities that the PHA plans to undertake in the current Fiscal Year, provide a description of the activity in the space provided.

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

B.4 Capital Improvements. PHAs that receive funding from the Capital Fund Program (CFP) must complete this section (24 CFR §903.7(g)). To comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan in EPIC and the date that it was approved. PHAs can reference the form by including the following language in the Capital Improvement section of the appropriate Annual or Streamlined PHA Plan Template: "See Capital Fund 5 Year Action Plan in EPIC approved by HUD on XX/XX/XXXX."

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements.

C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

C.2 Certification by State or Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154 or 24 CFR 5.160(a)(3) as applicable; (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91,

and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations, impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

C.5 Troubled PHA. If the PHA is designated troubled, and has a current MOA, improvement plan, or recovery plan in place, mark "yes," and describe that plan. Include dates in the description and most recent revisions of these documents as attachments. If the PHA is troubled, but does not have any of these items, mark "no." If the PHA is not troubled, mark "N/A." (24 CFR §903.9)

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' ... PHA Plans (including any plans incorporated therein) ... Strategies and actions must affirmatively further fair housing" Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan.

Public reporting burden for this information collection is estimated to average 7.52 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Attachment A

Housing Opportunity Through Modernization Act (HOTMA)

On February 14, 2023, HUD enacted Section 103 of the Housing Opportunity Through Modernization Act (HOTMA) regarding income limits for the Public Housing program. PHAs are required to implement updates to agency plans for this Section within (120) days of enactment. The following revisions to AHA's Public Housing Admissions and Continued Occupancy Policy (ACOP) are proposed to be effective immediately upon board approval.

OVER INCOME FAMILIES [24 CFR 960.507; FR Notice 7/26/18; Notice PIH 2019-11; FR Notice 2/14/23]

In the public housing program, an over-income family is defined as a family whose income exceeds the over-income limit for 24 consecutive months. When this occurs, the PHA must either:

- Terminate the family's tenancy within six months of the PHA's final notification of the end of the 24-month grace period; or
- Within 60 days of the PHA's final notification of the end of the 24-month grace period or the next lease renewal (whichever is sooner), have the family execute a new lease that is consistent with 24 CFR 960.509 and charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds.

AHA Policy

For families whose income exceeds the over-income limit for 24 consecutive months, the AHA will terminate the family's tenancy.

Over-Income Limit [Notice PIH 2019-11]

The PHA must publish over-income limits in their Admission and Continued Occupancy Policy (ACOP) and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is determined by multiplying the applicable very low-income (VLI) by a factor of 2.4, as adjusted for family size.

AHA Policy

The AHA will use the income limits that are provided by HUD. These income limits will be updated within 60 days of HUD publishing each year and will be effective for all annual and interim reexaminations.

Anniston-Oxford-Jacksonville, AL MSA \$74,100

Very Low (50%) Income Limits (\$)

Effective April 01, 2024

FY 2024 Income Limit Category Persons in Family

1	2	3	4	5	6	7	8
25,800	29,450	33,150	36,800	39,750	42,700	45,650	48,600

HOTMA income limits Median income @ 2.4 per household size:

1	2	3	4	5	6	7	8
61,920	70,680	79,560	88,320	95,400	102,480	109,560	116,640

NOTE: **Calhoun County** is part of the **Anniston-Oxford-Jacksonville, AL MSA**, so all information presented here applies to all of the **Anniston-Oxford-Jacksonville, AL MSA**.

The **Anniston-Oxford-Jacksonville, AL MSA** contains the following areas: Calhoun County, AL;

Decreases in Income [24 CFR 960.507(c)(4)]

If, at any time during the consecutive 24-month period following the initial over-income determination, the PHA determines that the family's income is below the over-income limit, the PHA's over-income policies no longer apply to the family. If the PHA later determines that the family's income exceeds the over-income limit at a subsequent annual or interim reexamination, the family is entitled to a new 24 consecutive month period and new notices under this section.

AHA Policy

If, at any time during the 24-month period following the initial over-income determination, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with AHA policy Chapter XI.

If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of recertification. The AHA will notify the family in writing within 10 business days of the determination that over income policies no longer apply to them.

Initial Notice of Over-Income Status [24 CFR 960.507(c)(1)]

If the PHA determines the family has exceeded the over-income limit during an annual or interim reexamination, the PHA must provide written notice to the family of the over-income determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA following its continued occupancy policy for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit.

AHA Policy

At annual or interim reexamination, if a family's income exceeds the applicable over-income limit, within 10 business days the AHA will notify the family in writing of the determination and that if the family continues to be over-income for 24 consecutive months, the family will be subject to the AHA's over-income policies. The notice will state that the family may request a hearing if the family disputes the AHA's determination in accordance with AHA policies Chapter XVI.

Second Notice of Over-Income Status [24 CFR 960.507(c)(2)]

The PHA must conduct an income examination 12 months after the initial over-income determination, unless the PHA determined the family's income fell below the over-income limit since the initial over-income determination. If the PHA determines the family has

exceeded the over-income limit for 12 consecutive months, the PHA must provide written notification of this 12-month over-income determination no later than 30 days after the income examination that led to the 12-month over-income determination. The notice must state that the family has exceeded the over-income limit for 12 consecutive months and continuing to exceed the over-income limit for a total of 24 consecutive months will result in the PHA following its ACOP for over-income families. Additionally, if applicable under PHA policy, the notice must include an estimate (based on current data) of the alternative non-public housing rent for the family's unit. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit.

AHA Policy

If a family's income exceeds the applicable over-income limit after 12 consecutive months, within 10 business days, the AHA will notify the family in writing of the determination and that if the family continues to be over-income for 24 consecutive months, the family will be subject to the AHA's over-income policies. The notice will provide an estimate of the alternative non-public housing rent applicable to the family at the close of the 24 consecutive month period. The notice will also state that the family may request a hearing if the family disputes the AHA determination in accordance with AHA policies in Chapter XVI.

Final Notice of Over-Income Status [24 CFR 960.507(c)(3) and 960.509]

Unless the PHA determined the family's income fell below the over-income limit since the second over-income determination, the PHA must conduct an income examination 24 months after the initial over income determination. If the family continues to be over-income based on this determination, the PHA must provide written notification of this determination no later than 30 days after the income examination. The notice must state that the family has exceeded the over-income limit for 24 consecutive months and that the PHA will follow its continued occupancy policies for over-income families. The PHA must afford the family an opportunity for a hearing if the family disputes within a reasonable time the PHA's determination that the family has exceeded the over-income limit.

AHA Policy

If a family's income exceeds the applicable over-income limit for 24 consecutive months, the AHA will notify the family in writing of the determination within 10 business days of the date of the determination. The notice will provide an estimate of the alternative non-public housing rent applicable to the family at the close of the 24 consecutive month period. The notice will also state that the family may request a hearing if the family disputes the AHA's determination in accordance with AHA policies in Chapter XVI.

- The family will no longer be part of the public housing program.
- A subsidy will no longer be received for this unit.
- An alternative rent amount based on the higher of Fair Market Rent or the HUD subsidy will be charged. The unit will be considered a non-public housing, over-income (NPHOI) household; however, they still reside in the public housing unit.
- An over-income household occupies a unit that would otherwise house a low-income household.
- An over-income household would pay the alternative rent regardless of their income level.
- There is no ceiling on over-income limitations

The notice will also include a new non-public housing lease and inform the family that the lease must be executed by the family and the AHA no later than 60 days from the date of the notice or at the next lease renewal, whichever is sooner. The family will continue to be a public housing program participant until the family executes the new non-public housing lease. The notice will also state that failure to execute the lease within this time period stated in the notice will result in termination of tenancy no more than six months after the date of the notice. The AHA will permit an over-income family to execute a lease beyond this time period, but before termination of tenancy, if the over income family pays the AHA the total difference between the alternative non-public housing rent and their public housing rent dating back to the point in time that the over income family was required to execute the new lease.

Once the family signs the new nonpublic housing lease, the family will no longer be a public housing participant family. The family will no longer be subject to income examinations, are precluded from participating in the resident council, and cannot participate in any programs that are only for public housing or low-income families.

The non-public housing over-income lease will contain all required provisions listed at 24 CFR 960.509. The initial term of the lease will be for one year. Upon expiration of the initial lease term, the lease will not renew automatically, and subsequent leases will state renewal terms. At any time, the AHA may terminate tenancy in accordance with 24 CFR 960.509(b)(11) and in accordance with state and local law.

Upon execution of the lease, the tenant will be required to pay the amount of monthly tenant rent (known as the alternative non-public housing rent) determined by the AHA in accordance with HUD regulations. The AHA will comply with state and local law in giving the tenant written notice stating any changes in the amount of tenant rent. Charges assessed under the lease will be due in accordance with state and local law.

Anniston Housing Authority
Significant Amendment or Modification Definition
DEFINITION OF "SUBSTANTIAL DEVIATION" and "SIGNIFICANT AMENDMENT OR MODIFICATION"

In accordance with HUD regulations in 24 CFR 903.7 and CFR 905.3, the Anniston Housing Authority has defined below the basic criteria that will be used for determining substantial deviation from its 5-Year Plan, significant amendment or modifications to the 5-Year and Annual PHA plans and significant amendment of modifications to the Capital Fund Program (CFP) 5-Year Action Plan.

The Anniston Housing Authority criteria is applicable to all CFP components including Capital Funds grants, Replacement Housing Factor grants, Disaster Grants, Capital Fund Financing Program allocations, as well as any new or future formula components such as Demolition and Deposition of Transitional Funding.)

Criteria for defining "Substantial Deviation" from the 5-Year Plan:

A major change in the direction of the Anniston Housing Authority pertaining to its mission and goals would constitute a "substantial deviation" from the Agency's 5-Year Plan.

Examples include the undertaking of new program activities, development strategies, or financial initiatives that do not otherwise further the Anniston Housing Authority's stated mission and goals as described in the 5-Year Plan.

Criteria for defining "Significant Amendment or Modification" to the 5-Year and Annual PHA Plans:

Changes to rent, admission policies, or organization of the waiting list (s) in the Public Housing Program that will impact a significant number of applicants and/or households assisted under the Program.

Substantial changes to a proposed demolition, disposition, designated housing, homeownership, RAD conversion, Capital Fund Financing, development, or mixed finance proposal or conversion activities identified in the current HUD approved Annual or 5-Year Plan.

Housing Choice Voucher Program

Section Eight Management Assessment Program (SEMAP)

The AHA has created a Standard Operating Policy and Procedures (SOP) for monitoring the SEMAP certification.

Attachment B

De-concentrating Rule

(b) The PHA must submit its De-concentration Policy for Field Office Review.
DECONCENTRATION RULE

The objective of the deconcentrating Rule for public housing units is to ensure that families are housed in a manner that will prevent a concentration of poverty families and/or a concentration of higher income families in any one development. The specific objective of the HA is to house no less than 40 percent of its public housing inventory with families that have income at or below 30% of the area median income by public housing development. Also the HA will take actions to insure that no individual development has a concentration of higher income families in one or more of the developments. The HA will track the status of family income, by development, on a monthly basis by utilizing income reports generated by the HA's computer system.

The following are exempt from this rule.

- Public housing development with fewer than 100 public housing units. A covered development is defined as any single development or contiguous developments that total over 100 units.
- Public housing developments, which house only elderly persons or persons with disabilities, or both.
- Public housing developments, which consist of only one general occupancy family public housing development.
- Public housing developments approved for demolition or conversion to resident based assistance.
- Mixed financing developments.

To accomplish the deconcentrating goals, the HA will take the following actions:

The HA shall determine the average income of all families residing in all the HA's covered To accomplish the deconcentrating goals, the HA will take the following actions:

At the beginning of each HA fiscal year, the HA will establish a goal for housing 40% of its new admissions with families whose incomes are at or below the area median income. The annual goal will be calculated by taking 40% of the total number of move-ins from the previous HA fiscal year.

To accomplish the goals of deconcentrating:

- a) Not less than 40% of the HA admissions on an annual basis shall be to families that have incomes at or below 30% extremely low-income limit and
- b) The HA shall determine the average income of all families residing in all the HA's covered developments. The HA shall determine the average income of all families residing in each covered development. In determining average income for each development, this HA has adjusted its income analysis for unit size in accordance with procedures prescribed by HUD. The HA shall determine whether each of its covered developments falls above, within or below the established income range. The established income range is from 85 to 115 percent (inclusive) of the average family income, except that the upper limit (115 percent) shall never be less than the income at which a family would be defined an extremely low-income family developments. The HA shall determine the average income of all families residing in each covered development. In determining average income for each development, this HA has adjusted its income analysis for unit size in accordance with procedures prescribed by HUD. The HA shall determine whether each of its covered developments falls above, within or below the established income range. The established income range is from 85 to 115 percent (inclusive) of the average family income, except that the upper limit (115 percent) shall never be less than the income at which a family would be defined an extremely low-income family.

NOTE: Fair housing requirements. All admission and occupancy policies for public housing programs must comply with Fair Housing Act requirements and with regulations to affirmatively, further fair housing. The HA may not impose any specific income or racial quotas for any development or developments.

(c) If the PHA answered yes for any element, describe the revisions for each element below:

Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.

A. **Housing Needs of Families in the Jurisdiction Served by the HA** Based upon the information contained in the Consolidated Plan's for the HA' jurisdiction, the housing needs are contained in the following table. In the "Overall" Needs column, the estimated number of renter families that have housing needs. For the remaining characteristics in the table the HA does not have information available to rate these characteristics; therefore, N/A (not applicable) is noted since the HA cannot make this assessment.

Housing Needs of Families in the HA Jurisdiction by Family Type							
Family Type	Overall	Affordability	Supply	Quality	Accessibility	Size	Location
Income <= 30% of AMI	1735	N/A	N/A	N/A	N/A	N/A	N/A
Income >30% but <=50% of AMI	1430	N/A	N/A	N/A	N/A	N/A	N/A
Income >50% but <80% of AMI	1380	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	22.1%	N/A	N/A	N/A	N/A	N/A	N/A
Families with Disabilities	20.9%	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity – White	9012	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity – Black	10,643	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity – Hispanic	912	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity- Other		N/A	N/A	N/A	N/A	N/A	N/A

The source of information used by the HA was the U. S. Census data, the Comprehensive Housing Affordability Strategy, CHAS data set 2016-2020.

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

Housing Needs of Families on the HA's Waiting List is as follows:			
Listed below are the totals for the Public Housing and Section 8 Waiting list Combined			
	# of families	Units leased 369 AHA/429 HCV	Annual Turnover 85 AHA/93 HCV
Waiting list total	808		
Extremely low income <=30% AMI	653 – 80.81%		
Very low income (>30% but <=50% AMI)125	89 - 11.01%		
Low income (>50% but <80% AMI)	60 – 7.42%		
Families with children	375 – 46.41%		
Elderly families	59 – .07%		
Families with Disabilities	61 – 7.54%		
Race/ethnicity	609 – 75.37%		Black
Race/ethnicity	198 – 24.5%		White
Race/ethnicity	1 – .12%		Other
Characteristics by Bedroom Size (Public Housing Only)	Waiting List Total 633	Percent of waiting list	
1BR	272	42.96	
2 BR	246	38.86	
3 BR	84	13.27	
4 BR	29	4.58	
5BR	2	.31	
5+ BR	0	0	
Waiting list data as of 7/22/2024.			

The waiting list for Public Housing is currently open.

HA Plan Element: Financial Resources

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants		
a) Public Housing Operating Fund (2024)	\$2,618,041.30	Day to Day Operations
b) Public Housing Capital Fund (2024)	\$1,938,580.14	Operating Costs, Resident Relocation, Alley Paving, Demolition cost, pre-development
c) Annual Contributions for Section 8 Tenant-Based Assistance –Section 8 Vouchers	\$460,531.00 \$3,460,355.00	Admin fees Housing Assistance
d) 3/31/24		
3. Public Housing Dwelling Rental Income (3/31/24)	\$451,049.45	Day to Day Operations
4. Other income (list below)	\$169,671.00	Day to Day Operations
Details of Other Income (YE 3/31/24)		
Interest Income	\$236,672.10	
Other Income	\$230,951.00	
Other Grants	\$55,255.00	
Total resources	\$9,451,434.99	

MIXED FLAT RENT (F.R.) CALCULATION FOR FLAT RENTS Effective 12/1/2024

Norwood	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Homes				
Current Flat Rent	397	559	684	767
New Flat Rent	442	594	861	900
Increase/Decrease	45	35	177	133

Constantine	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Current Flat Rent	397	540	684	767	883
New Flat Rent	442	578	837	883.	1034
Increase/Decrease	45	38	153	116	151

Washington	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Current Flat Rent	394	541	684	767
New Flat Rent	439	579	831	880
Increase/Decrease	45	38	147	113

Parkwin	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Current Flat Rent	394	544	679	785	881
New Flat Rent	439	581	831	880	1026
Increase/Decrease	45	37	152	95	145

Tinsley Manor	1 Bedroom	2 Bedroom	3 Bedroom
Current Flat Rent)	408	566	754
New Flat Rent	452	602	868
Increase/Decrease	44	36	114

Fairview Terrace	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Current Flat Rent	408	566	754	813
New Flat Rent	452	603	868	900
Increase/Decrease	44	37	114	87

Utility Allowance (UA) for AL-004 previous allowance effective 12/1/2023.

Bedroom	Washington	Parkwin	Norwood	Fairview	Constantine	Tinsley
1	\$150	\$150	\$147	\$136		\$136
1 infrared					\$147	
2	\$179	\$176	\$161	\$154	\$180	\$154
3	\$211	\$211	\$176	\$169	\$204	\$169
4	\$243	\$243	\$219	\$220	\$241	
5		\$264			\$256	

Effective 12/1/2024.

Bedroom	Washington	Parkwin	Norwood	Fairview	Constantine	Tinsley
1	\$145	\$145	\$142	\$132		\$132
1 infrared					\$142	
2	\$173	\$171	\$158	\$149	\$174	\$150
3	\$201	\$201	\$171	\$164	\$195	\$164
4	\$232	\$232	\$2129	\$212	\$229	
5		\$253			\$245	

HCV Subsidy Standards

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

SECTION 8 Payment Standards

(1) Payment Standards

The AHA's payment standard amended for 2024 effective December 1, 2024 the HUD published Fair Market Rents (FMR) for the Calhoun County are as follows:

PAYMENT STANDARDS- EFFECTIVE 12/1/2024

Proposed FY 2025 FMRs By Unit Bedrooms maximum pending Board Approval

<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2025 FMR	\$730	\$941	\$1295	\$1394
Payment <u>Standard</u>	\$730	\$941	\$1295	\$1394

The HA reevaluates the payment standards annually. The factors used by the HA in its assessment of the adequacy of its payment standard are 1) success rates of assisted families and 2) rent burdens of assisted families.

Attachment C

Development Activity Description

11/18/2020 - The AHA Board of Commissions have requested a priority be placed on the Cooper Redevelopment project to bring affordable housing back to the Anniston area.

1a. Development Name: Cooper Homes, Public Housing Development update after work session

1b. Development (project) number: AL004-02

1c. Description of development:

- This rental development was built in 1952 and has 19 dwelling unit buildings and one non-dwelling unit building. The unit size bedroom distribution includes 12 one-bedroom, 42 two-bedroom, 36 three-bedroom, 10 four-bedroom, and 2 five-bedroom rental units. As future HUD funding is available, AHA plans to submit a Choice Neighborhood Planning and Implementation Grant. The AHA has applied and HUD approved for replacement housing vouchers to relocate residents for the demolition. The AHA has been working with the Alabama Department of Environmental Management (ADEM) to create a Voluntary Clean-up program due to industrial waste located at the site that requires cleanup prior to new construction.

2. Activity Type: Demolition and/or Disposition and/or Development

3. Application Status: Demolition completed

4. Date application planned for submission: 10/03/2014

5. Number of units affected: 102

Coverage of action: Total Development

6. Timeline for activity:

The following chart was added after Public Comment on 11/12/2020 as a requested recommendation:

Activity	Date	Comments
Demolition application submitted	10/03/2014	
Demolition application approved	8/20/2015	
Project resident relocation began	2/2016	
Project demolition	2/2018	
CDBG application	4/30/2018	Requested \$400,000
Developer Procured – Hollyhand Development	12/13/2018	<ul style="list-style-type: none"> • Met with Alabama Housing Finance Authority (AHFA)

		<ul style="list-style-type: none"> Met with Alabama Department Environmental Management (ADEM) Met with Environmental Protection Agency
HOME fund application	3/04/2019	Requested \$240,000
Environmental report Phase II	4/03/2019	United consulting
ADEM Voluntary Clean up application submission	11/20/2019	Review fee \$13,520. Administrative fee \$5,060.
ADEM Voluntary Clean up application approved	7/2/2020	
AHFA Qualified Allocation Plan 2021 comments submitted	8/20/2020	Pending Qualified Allocation Plan to allow "Engineered Solution" for tax credit application
ADEM – Pending implementation of voluntary clean-up plan.		This can begin if a tax credit application is not desired. The clean-up cost is a loan to the AHA to implement the plan and clean the site. Alternative financing after cleanup could be the Capital Fund Program (CFP), HUD 221d4 Program, City funding, as well as a conventional loan.
Collaboration agreement with the City of Anniston to complete an environmental cleanup plan for the former Cooper Homes site in order for the site to be classified as "unrestricted residential use" as defined by Alabama Department of Environmental Management (ADEM).	June/24/2021	<p>Cooper Homes has had numerous environmental challenges which continues today. With the existing environmental data, the site has been approved for a Voluntary Cleanup Program (VCP) by ADEM with detailed Engineered Solutions. This plan is the most cost feasible remediation approach which would include some limited removals, with engineering and institutional controls being implemented to provide protection from the potential exposure pathways.</p> <p>However, the Alabama Housing Finance Authority (AHFA) does not accept an Engineered Solution and requires "unrestricted residential use". This standard would require a complete removal and replacement of an estimated 4 feet of soil removal across the Cooper Homes site.</p>
Letter from Steven Folks to Senator Del Marsh and Representative Barbara Boyd.	July 23th, 2021	Commitment from the City of Anniston and the AHA collaboration for site cleanup and State funding assistance
Proposal from United Consulting remediate the Cooper site	September 17 th , 2021	<p>Cost \$12,000 - \$23,000</p> <p>Proposal to change the approved ADEM cleanup plan to perform additional testing at the site to see if it will be feasible to clean the site to "unrestricted residential use".</p>
Conference call with ADEM	October 6, 2021	ADEM call to update the status of the Cooper site, and the AHA's desire to remediate the soil conditions below the property to "unrestricted residential use" standards. The approved Cleanup Work Plan (CWP) and the VCP would have to be revised to reflect new testing plan

Submission of the VCP-Supplemental Property Assessment Plan	11/2021	Application cost \$ 6740
Execute environmental clean-up testing	January 2022	Estimated cost of \$1.5 - \$3.0 million exact cost will not be until procured
Apply for Project Based set aside units	2023	Pending Board direction
Submission of 4% or 9% Tax Credit Application (LIHTC)	2023	Pending due to environmental cleanup. Alternative financing after cleanup could be the Capital Fund Program (CFP), HUD 221d4 Program, City funding, as well as a conventional loan
Procure Architectural design specification and Engineering	Projected June 2023	Estimated cost of \$250,000.
Environmental clearance testing	Projected June 2023	Estimated cost of \$100,000.
Preparation and submission of a 4% LIHTC application	October 2023	Unable to submit due to environmental
	Pending Board direction	Estimated cost of \$11 million up to \$15 million with environmental cleanup
		It is not cost effective to redevelop the Cooper site. Pending Board direction,

Projected start date of activity: 03/2016

Projected end of date of activity: 6/2026

Demolition Activity Description

1a. Development Name: **Glen Addie Homes, Public Housing Development**

1b. Development (project) number: AL 004-01

1c. Description of development:

- This rental development was built in 1940 and has 15 dwelling unit buildings and three non-dwelling unit building. The buildings are block/brick row type structures. The unit size bedroom distribution includes 56 one-bedroom, 80 two-bedroom, and 28 three-bedroom units. While there are currently 164 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to redevelop the site utilizing future HUD and Tax credit funding, when available. AHA also plans to pursue the Choice Neighborhood Planning Grant and/or Purpose Build Community's revitalization model.

2. Activity Type: Mixed Finance Modernization and/or Demolition/Development

3. Application Status: **Demolition application approved by HUD on 9/28/19**

Demolition is completed.

4. Date application planned for submission: 09/01/2022 Submitted to HUD 7/31/19

5. Number of units affected: 164

Coverage of action: Total Development

6. Timeline for activity:

a. Projected start date of activity: changed to 7/1/20

b. Projected end of date of activity changed to 7/1/24

The following chart was added after Public Comment on 11/12/2020 as a requested recommendation:

Activity	Date	Comments
Met with HUD representative from the Birmingham Field Office to discuss mold issues and amount requested in Capital Fund Program for repairs		Recommended demolition application
Environmental report PHASE II		
Demolition Application	7/31/2019	Submitted application to HUD
Demolition Application	9/28/2019	HUD approved
Received relocation voucher for relocation	3/27/2020	Began relocation
Relocation completed	10/1/2021	
Redevelopment		Demolition, Developer or plans for the Glen Addie site have not been discussed or procured
Demolition completed	Completed 7/24/24.	

1a. Development Name: Constantine Homes, Public Housing Development

1b. Development (project) number: AL004-04

1c. Description of development:

- This rental development was built in 1954 and has 35 dwelling unit buildings and three non-dwelling unit building. The buildings are block/brick row type structures. The unit size bedroom distribution includes 20 one-bedroom, 76 two-bedroom, 55 three-bedroom, 16 four-bedroom, and 4 five-bedroom rental units. While there are currently 171 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to redevelop the site utilizing future HUD and Tax credit funding, when available. AHA also plans to pursue the Purpose Build Communities revitalization model and the Choice Neighborhood Planning Grant.

2. Activity Type: Mixed Finance Modernization and/or Demolition/Development

3. Application Status: Planned application

4. Date application planned for submission: 2028

5. Number of units affected: 171

Coverage of action: Total Development

6. Timeline for activity:

- a. Projected start date of activity: 9/1/2025
- b. Projected end of date of activity: 9/1/2028

RAD - Mixed Finance Modernization

1a. Development Name: Norwood, Public Housing Development

1b. Development (project) number: AL004-003

1c. Description of development:

- This rental development was built in 1953 and has 21 dwelling unit buildings and one non-dwelling unit building. The buildings are block/brick row type structures. The unit size bedroom distribution includes 12 one-bedroom, 44 two-bedroom, 33 three-bedroom and 12 four-bedroom units. Housing purpose will remain unchanged with Families, Disabled and Elderly residing in the unit. While there are currently 101 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to redevelop the site utilizing future HUD and Tax Credit funding, when available. AHA also plans to pursue the Choice Neighborhood Planning Grant. AHA is seeking to identify a public housing development in which to submit an application for, and ultimately implement the Rental Assistance Demonstration Program.

2. Activity Type: RAD - Mixed Finance Modernization and/or Development

3. Application Status: Planned application

4. Date application planned for submission: will depend on Board consideration

5. Number of units affected: 97

Coverage of action: Total Development

6. Timeline for activity:

- a. Projected start date of activity: 04/15/2025
- b. Projected end of date of activity: 04/15/2028

Development Name: Tinsley Manner, Public Housing Development

1b. Development (project) number: AL004-07A

1c. Description of development:

- This rental development was built in 1985 and has 6 dwelling unit buildings. The buildings are row type brick veneer structures. The unit size bedroom distribution includes 4 one-bedroom, 16 two-bedroom and 4 three-bedroom. Housing purpose will remain unchanged with Families, Disabled and Elderly residing in the unit. While there are currently 24 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to modernize the site utilizing future HUD and Tax credit funding, if available. AHA is seeking to identify a public housing development in which to submit an application for, and ultimately implement the Rental Assistance Demonstration Program.

2. Activity Type: RAD - Mixed Finance Modernization

3. Application Status: Planned application

4. Date application planned for submission: will depend on Board consideration

5. Number of units affected: 24

Coverage of action: Total Development

6. Timeline for activity:

- a. Projected start date of activity: 04/15/2025
 - b. Projected end of date of activity: 04/15/2028
-

a. Development Name: Fairview Terrace, Public Housing Development

1b. Development (project) number: AL004-07B

1c. Description of development:

- This rental development was built in 1985 and has 12 dwelling unit buildings. The buildings are row type brick veneer and multi family structures. The unit size bedroom distribution includes 2 one-bedroom, 6 two-bedroom, 10 three-bedroom and 8 four-bedroom units. Housing purpose will remain unchanged with Families, Disabled and Elderly residing in the unit. While there are currently 26 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to modernize the site utilizing future HUD and Tax credit funding, when available. AHA is seeking to identify a public housing development in which to submit an application for, and ultimately implement the Rental Assistance Demonstration Program.

2. Activity Type: RAD - Mixed Finance Modernization

3. Application Status: Planned application

4. Date application planned for submission: will depend on Board consideration

5. Number of units affected: 26

Coverage of action: Total Development

6. Timeline for activity:

a. Projected start date of activity: 04/15/2025

b. Projected end of date of activity: 04/15/2028

1a. Development Name: Washington Homes, Public Housing Development

1b. Development (project) number: AL004-06A

1c. Description of development:

- This rental development was built in 1961 and has 26 dwelling unit buildings and one non-dwelling unit building. Families occupy the row type brick veneer structures. The unit size bedroom distribution includes 4 one-bedroom, 17 two-bedroom, 21 three-bedroom and 5 four-bedroom units. Housing purpose will remain unchanged with Families, Disabled and Elderly residing in the unit. While there are currently 47 units, AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to modernize the site utilizing future HUD and Tax credit funding, when available. AHA is seeking to identify a public housing development in which to submit an application for, and ultimately implement the Rental Assistance Demonstration Program.

2. Activity Type: RAD - Mixed Finance Modernization

3. Application Status: Planned application

4. Date application planned for submission: will depend on Board consideration

5. Number of units affected: 47

Coverage of action: Total Development

6. Timeline for activity:

a. Projected start date of activity 4/15/2025

b. Projected end of date of activity: 4/15/2028

1a. Development Name: Parkwin Homes, Public Housing Development

1b. Development (project) number: AL004-06B

1c. Description of development:

- This rental development was built in 1961 and has 30 dwelling unit buildings and one non-dwelling unit building. The buildings are multifamily block/brick structures. The unit size bedroom distribution includes 6 one-bedroom, 19 two-bedroom, 21 three-bedroom, 5 four-bedroom, and 2 five-bedroom rental units. While there are currently 53 units, Housing purpose will remain unchanged with Families, Disabled and Elderly residing in the unit. AHA will work with a qualified planner and architectural and engineering firm to determine the maximum number and type of replacement units. AHA's intentions are to modernize the site utilizing future HUD and Tax credit funding, when available. AHA is seeking to identify a public housing development in which to submit an application for, and ultimately implement the Rental Assistance Demonstration Program.

2. Activity Type: RAD - Mixed Finance Modernization

3. Application Status: Planned application

4. Date application planned for submission: will depend on Board consideration

5. Number of units affected: 53

Coverage of action: Total Development

6. Timeline for activity:

a. Projected start date of activity: 4/15/2025

b. Projected end of date of activity: 4/15/2028

Project Based Voucher

The Project Based Program guidelines for the AHA are located in Attachment C.

Rental Assistance Demonstration - RAD Significant Amendment 2019 Fact Sheet

RAD-Specific Significant Amendment to the PHA Plans

The Anniston Housing Authority is amending its Annual Plan, ACOP, HCV Administration Plan and/or 5 year PHA Plan because it was a successful applicant in the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. Presently, the Authority will be converting four public housing communities to the RAD program. Conversion of assistance under RAD is considered a Significant Amendment to the Authority's Annual/5 year Plan.

Key Points of RAD Conversation

Right to Return. Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved residents of the converting project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

No Re-screening of Tenants upon Conversion. At conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit.

Under-Occupied Unit. If a family is in an under-occupied at the time of conversion, the family may remain in this unit until an appropriate-sized unit become available in the covered Project. When an appropriate sized unit becomes available in the covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time.

Renewal of Lease. The PHA will renew all leases upon lease expiration.

Phase-in of Tenant Rent Increases. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years.

Public Housing Family Self Sufficiency (PH FSS). Public Housing residents that are current FSS participants will continue to be eligible for FSS.

Grievance Process. The hearing procedures for Project Based Voucher (PBV) and PBV clients converted under RAD are outlined in of the Anniston Housing Authority HCV Administrative Plan.

Earned Income Disregard (EID). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion.

RAD-Specific Significant Amendment to the PHA Plan

Narrative

The Anniston Housing Authority is amending its Annual PHA Plan and/or 5 year PHA Plan because it was a successful applicant in the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. Presently, the Authority will be converting public housing units described below to RAD Project Based Voucher assisted units under the guidelines of PIH Notice 2012-32 (HA), REV-3 (Issued January 12, 2017) and any successor Notices. Conversion of assistance under RAD is considered a Significant Amendment to the Authority's Annual and/or Five Year Plan.

Upon conversion to RAD Project Based Vouchers, the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32 (HA), REV-3, Attachment 1B of the Notice and the Joint Housing/PIH Notice H-2014-09/PIH-2014-17. These resident rights, participation, waiting list and grievance procedures are further listed below.

Additionally, the Authority is currently compliant with all fair housing and civil rights requirements. This RAD conversion complies with all applicable site selection and neighborhood reviews standards and all appropriate procedures have been followed.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing the Authority with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that the Authority may also borrow funds to address their capital needs. The Authority currently does not have debt under an Energy Performance Contract.

1. A description of the units to be converted.

AMP	Sites	Type	0BR	1BR	2BR	3BR	4BR	5BR	Total
AL004000003B	Tinsley Manor	Family	0	4	16	4	0	0	24
AL004000001B	Washington Homes	Family	0	4	17	21	5	0	47
AL004000001A	Parkwin Homes.	Family	0	6	19	21	5	2	53

2. Any change in the number of units that is proposed as part of the conversion.

a. De minimis unit reductions – *none*.

b. Unit reductions that are exempt from the de minimis cap – *none*.

c. Any change in the bedroom distribution of units that is proposed as part of the conversion – Barber Terrace- see the following chart

3. Changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted.

Converting to Project Based Vouchers (PBV). Currently used waiting list preferences used for public housing will continue for all covered projects. Resident Rights and Participation, Tenant Protections for residents stated in Section 1.6, Attachment 1B of this RAD Notice Revision 3 and the Joint Housing/PIH Notice H-2014-09/ PIH2014-17 will all be adhered to.

Specifically:

- 1. Right to Return.** Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project's conversion of assistance, including, but not limited to, as a result of a change in bedroom distribution, a reduction of units, or the reconfiguration of apartments. Where the transfer of assistance to a new site is warranted and approved residents of the converting project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit or other suitable housing, and thereby waive their right to return to the development after rehabilitation or construction is completed.
- 2. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- 3. Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit become available in the covered Project. When an appropriate sized unit becomes available in the covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the covered Project, 24 CFR 983.259 is waived.
- 4. Renewal of Lease.** Under current regulations at 24 CFR § 983.257(b)(3), the PHA must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.
- 5. Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

Anniston Housing Authority Policy: If the tenant's monthly rent increases more than 10% or \$25, whichever is greater, a three (3) year phase in will be implemented according to the Three Year Phase in scheduled below.

The method below explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP

Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

Year 3: Year 3 AR and all subsequent recertification's – Full standard TTP.

6. Public Housing Family Self Sufficiency (PH FSS). Public Housing residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, and participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100. Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered Tenant Based Rental Assistance (TBRA) funds, thus reverting to the HAP account if forfeited by the FSS participant.

7. Resident Participation and Funding. Residents of covered projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

8. Resident Procedural Rights. The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

a. Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to Project

owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- i. A reasonable period of time, but not to exceed 30 days:
 - a. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - b. In the event of any drug-related or violent criminal activity or any felony conviction;
- ii. 14 days in the case of nonpayment of rent; and
- iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- iv. 3 day Expedited Lease Termination: If the health or safety of other residents, PHA employees, or persons residing in immediate vicinity of the premises is threatened; or if any member of the household has engaged in any drug related criminal or violent criminal activity; or if any member of the household has been convicted of a felony, PHA shall give the resident three (3) day's written notice of termination of tenancy.

b. Grievance Process. Pursuant to the requirements in the RAD Statute, HUD has established additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner/PHA (hereinafter "Project Owner") to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - a. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 - b. For any additional hearings required under RAD, the Project Owner will perform the hearing.
- ii. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
- iii. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- iv. The Project Owner provides opportunity for an informal hearing before an eviction. Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

Anniston Housing Authority Policy: The hearing procedures for PBV and PBV clients converted under RAD are outlined in the Anniston Housing Authority HCV Administrative Plan.

9. Earned Income Disregard (EID). Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described above; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

10. Jobs Plus. *Not Applicable*

11. When Total Tenant Payment Exceeds Gross Rent. Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR § 983.53(d)). Also a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR § 983.258). Since the rent limitation may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e. residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by PIH Notice 2012-32, REV-2. In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance.

Following conversion, 24 CFR § 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP come to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR § 983.207 or, where "floating" units have been permitted.

12. Transfer of Assistance. *Not applicable*

Transfer of assistance at the time of conversion – ***none***.

13. Impact on existing voluntary compliance agreements, consent orders or consent decrees or final judicial rulings or administrative rulings or decisions - ***none exist***.

14. RAD conversion compliance with all applicable site selection and neighborhood reviews standards and procedures.

15. All applicable site selection and neighborhood reviews standards and procedures have been followed.

16. Moving To Work Requirements – ***not applicable***.

17. Additionally, in accordance with 24 CFR Part 903, a PHA must perform the following actions in regards to their Capital Funds:

The PHA shall notify the public that the current and future Capital Fund Program Grants Budgets, will be reduced as a result of any projects converting to RAD.

a. The Anniston Housing Authority receives approximately \$1,600,000.00 annually from HUD from the Capital Fund Program. A decrease in the Capital Fund Program will continue due to the term limit on receiving proration for Cooper Homes and the RAD conversion reduction. Capital Fund Program Grants will no longer be available for the converted sites. The Anniston Housing Authority will fund replacement reserve accounts out of proceeds from contract rents.

b. Additionally, the Anniston Housing Authority does not have an existing Energy Performance Contract (EPC) for the converting projects.

18. All other required information and certifications necessary to submit a Significant Amendment to the PHA Plan, including Resident Advisory Board comments and responses, challenged elements, and all required certifications.

This submission will include the following:

- Comments from the Resident Advisory Board
- Public Comments and Challenged elements
- Responses
- Required Certifications

Attachment C
9/8/2022

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

A: Statement of Section 8 Project-Based Voucher Program Goal and Approach

1. The Section 8 Project-Based Voucher Program (PBV) goal is designed to accomplish two major objectives for the PHA:
 - a. To increase the supply of assisted rental housing for eligible individual families; and
Anniston Housing Authority Housing Choice Voucher Administrative Plan
 - b. To improve the efficiency and utilization of the Section 8 Housing Choice Voucher Program.
2. In order to facilitate the administration of the PVB Program and to develop a system of checks and balances, the follow will occur:
 - a. The PHA will administer the PBV program for up to 20% of the amount of budget authority allocated to the PHA by HUD in the PHA's HCV program.
 - b. The waiting list team will be responsible for processing applicants as well as administering the waiting list; and
 - c. The Section 8 Department will be responsible for housing the eligible qualified applicants and will continue to administer the PBV program for the duration of the housing assistance payment contract with the owner.

B: Public Notice, Owner Proposal Submission Requirements, and Site Selection Policy (24 CFR 983.51)

1. General

Both selection methods described in 24 CFR 983.51(b) will be considered to determine which method best meets the needs of the PHA.

2. Public Notice Requirements

- a. If the PHA selects the proposal method of proposals that have not been through a competition pursuant to 983.51(b), it will publish a Public Notice of Agency Request for PBV Proposals.
- b. This notice will be published in the newspaper with the widest general circulation in the PHA jurisdiction.
- c. This notice may include but not necessarily be limited to the following:
 - 1) A request for PBV proposal
 - 2) Contact information to request a proposal submission package
 - 3) The addresses to send the proposal
 - 4) A statement that the submission package contains all required details and only proposals submitted using the submission package will be considered, and
 - 5) The time and date proposals are to be received.
- d. The Public Notice will be published once each week for three (3) consecutive weeks.
- e. The deadlines for receipt of proposals will be at least 30 calendar days from the publication date of the last public notice.
- f. The public notice may specify the estimated amount of housing assistance payment/ ACC units that may be available.
- g. The PHA will maintain a log of the name and address of interested parties to whom submission packages are sent or by whom submission packages are picked up at the

main office, the date of the request and the date the packages are mailed or picked up.

- h. Submission packages that are not picked up shall be sent by first class mail no later than two (2) calendar days after receiving the request.
- i. The PHA will maintain a list of proposals received and the date they are received.
- j. The outside of the envelope or package will be dated and time stamped.
- k. The PHA may hold a briefing for potential applicants. The date, time and location of the briefing are to be provided in the Public Notice.

3. Owner Proposal Submission Requirements

- a. A proposal package will be prepared and provided to interested parties upon request.
- b. This package may include at least:
 - 1) Detailed information required to be included in the proposal
 - 2) Selection evaluation factors
 - 3) Instructions to mark the outside of the proposal with the words "PBV Proposal" in the lower left-hand corner of the envelope or package.
- c. As appropriate the PHA may select what items are to be included in a PBV proposal and list these items in the PBV Proposal Submission Package from the following items:
 - 1) A description of the housing to be constructed or rehabilitated, including:
 - a) The number of units by size (square footage)
 - b) Bedroom count
 - c) Bathroom count
 - d) Sketches of the proposed new construction or rehabilitation
 - e) Unit plans
 - f) Listing of amenities and services and
 - g) Estimated date of completion
 - 2) For rehabilitation, the description must describe the property as is and must also describe the proposed rehabilitation
 - 3) Evidence of site control
 - 4) For new construction, identification and description of the proposed site, site plan, and neighborhood
 - 5) Evidence the proposed new construction or rehabilitation is permitted by current zoning or regulations, or evidence to indicate the needed re-zoning is likely and will not delay the project
 - 6) Proposed contract rent per unit, including:
 - a) Indication of utilities, services and equipment included in rent
 - b) Indication of utilities, services and equipment not included; and
 - c) For utilities not included, estimated monthly average cost for each unit type for the first year of occupancy.
 - 7) A statement identifying:
 - a) The number of persons (families, individuals, businesses and non-profit organizations) occupying the property on application submission date
 - b) Number of persons to be displaced, temporarily relocated or moved permanently within the building or complex
 - c) Estimated cost of relocation payments and services, and the sources of funding
 - d) The organization(s) that will carry out the relocation activities
 - e) Identify the owner and other project principals and the names of officers and principal members, shareholders, investors and other parties having a substantial interest
 - f) Certification showing the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs
 - g) Disclosure of any possible conflict of interest by any of the parties that would be in violation of the Agreement to Enter into a HAP Contract or the HAP Contract itself.

- h) Any information on the qualifications and experience of the principal participants
- i) The owners plan for managing and maintaining the units
- j) Evidence of financing or lender interest and the proposed terms of financing
- k) Documentation that site is free from environmental or safety hazards
- l) Documentation that site is not on a 100-year Flood Plan or does not involve a historic property, and
- m) Statement the rehabilitation is or is not being undertaken in areas targeted for revitalization.

Site Selection Policy

The site selection policy and procedures herein promote the PBV goals by ensuring the supply of assisted rental housing is expanded while being in compliance with the Section 8 Project-Based Voucher Program Final Rule.

- a. A three (3) member team of the PHA staff will review, evaluate and recommend a proposal. Proposals will not be opened until after the submission deadline.
- b. The PHA is under no obligation to award a PBV to any proposal received.
- c. As appropriate the Executive Director shall recommend a proposal to the Board of Commissioners (Board), subject to the proposed site passing environmental. Review requirements at 24 CFR 983.58.
- d. The agency will establish written evaluation criteria. The evaluation will be in two (2) steps:

1) Proposals must first meet written qualifying factors required in a HUD regulation or a HUD notice. Proposals not meeting the qualifying factors will not be evaluated/rated in the second tier. A qualifying factor form will be prepared listing each factor and the results of the qualifying factor review for each item and the signature of the person performing the review. The October 15, 2005, Project Based Voucher Program lists the following factors:

- a) The proposal was received by the deadline.
- b) The property is eligible housing (24 CFR sections 983.53 and 983.54). The PHA will confirm the proposed units are not part of the list of prohibited units.
- c) The proposal complies with the cap on the number of PBV units per building (24 CFR section 983.56)
- d) The proposal meets the Site Selection standards (24 CFR 983.57)
- e) The proposal meets zoning requirements
- f) The site is consistent with the goal of deconcentrating poverty and expanding housing opportunity pursuant to elements listed at 24 CFR section 983.57(b)(1). The PHA will use a form to document that each of the seven (7) items listed were considered.
- g) The site facilitates compliance with Civil Rights Requirements listed at 24 CFR section 983.57(b)(2).
- h) The site meets HQS site standards at 24 CFR 982.401(l)
- i) If needed, the proposal passes the HUD subsidy layering review pursuant to 24 CFR 983.55

2) Proposals meeting all Qualifying Factors are then evaluated based upon the PHA's Evaluation Selection Criteria:

- a) The Evaluation Selection Criteria will be consistent with HUD regulations and guidelines, including 24 CFR 983.57 (d) and (e).
- b) The criteria will be written and adopted by the Board prior to the first Public Notice.
- c) Each criteria will be assigned a maximum point value indicative of its relative importance.
- d) An Evaluation Selection Criteria rating sheet will be prepared, listing each criteria, the maximum points, the points awarded for each criteria, the total points

awarded, voluntary comments, the name of the reviewer and the date of the review.

e) Each proposal will be independently rated by each evaluator over the same period of time.

f) The evaluation team may meet to determine a recommendation.

g) The agency is not obligated to select the highest rated proposal if a reasonable explanation can be provided to the Board.

h) If appropriate, PHA quality and design requirements in addition to Housing Quality Standards pursuant to 24 CFR 983.100(e) may be included as a rating factor.

i) The results of pre-selection inspection of existing units pursuant to 24 CFR 983.103(a) will be an evaluation/rating factor if existing units are being considered.

j) Evidence of financial commitment as compared to construction/rehabilitation cost and debt service may be a rating factor.

k) An operation cash flow projection may be a rating factor.

l) A written Management Plan describing how the owner will fulfill the occupancy and maintenance requirements may be a rating factor.

3) For proposals with omissions or discrepancies, applicants will be notified by letter and will be allowed 10 calendar days to correct or complete the proposal. If the corrections or additional requested information is not received by the deadline, the proposal will be considered incomplete and rejected.

4) Within seven (7) calendar days of Board approval, the PHA will provide written notification of the selected proposal(s) to all parties submitting a proposal.

5) Within 14 calendar days of Board approval, the PHA will publish a public notice announcing the parties selected to receive PBV in the same newspaper in which the Public Notice of Agency Request for PBV Proposals was published.

6) If the PHA has any direct or indirect interest in selected proposals, the PHA will request the selection process be reviewed by the local HUD Field Office or HUD approved independent entity, to determine the proposal was appropriately selected based on the selection procedures specified in the PHA Section 8 Administrative Plan. The requirements at 24 CFR 983.59 for independent entity to Anniston Housing Authority Housing Choice Voucher Administrative Plan perform the inspection, reasonable rent determination and determination of initial occupant rent shall be followed.

7) Documentation regarding the basis for the proposal selection will be made available at the Executive Director's office under the control of an assistant to the Executive Director for at least three (3) years from the date the Board approved the proposal.

C: Housing Type

1. The PHA retains discretion to determine which housing type to select among the eligible housing types. However, the PHA reserves the right not to provide PBV assistance to Excepted units pursuant to 24 CFR 983.56(c)(2).

2. Depending on the PHA's needs, particular housing types may receive points in the proposal evaluation/rating process.

D: Excepted Units for Elderly, Disabled and Supportive Services Families

1. Excepted units may be part of the PBV contract and are not to be counted toward the cap on the number of PBV units in a building. However, the PHA reserves the right to not provide PBV assistance to Excepted units, pursuant to 24 CFR 983.56(c)(2).

2. Excepted units must be used for a "Qualifying" family.

3. The PHA may consider the following families as "Qualifying" families:

a. Elderly or disabled families

b. Families receiving any type of supportive services from an accredited source and receiving any level of supportive services

- c. The services do not need to be provided at the project
- d. If supportive services are discontinued the family shall continue to be a "Qualified" family as long as the family resides in the unit.
- e. If the family vacates the unit, the unit shall remain as "Excepted" if it is re-rented to another "Qualifying" family
- f. The PHA shall monitor the family's participation in supportive services once each year as part of the annual reexamination of the family. The family shall provide a third-party verification to document participation in supportive services.
- g. If the family does not fulfill its obligations under a family self-sufficiency or similar program, the PHA reserves the right to take or not to take any action, pursuant to 24 CFR 983.201 and other parts of this Administrative Plan
- h. The PHA reserves the right to place a cap less than 25% on the number of units receiving PBV or other project-based assistance in a building with "Excepted" units.

4. New Construction or Rehabilitation

If an owner is proposing to pledge the HAP Contract as security for financing, the owner must submit the financing document to the PHA for review. In determining approvability of the pledge arrangement, the PHA must ensure that the financing documents do not modify the contract and do not contain any requirements inconsistent with the contract. Any contract must be limited to amount payable under the contract in accordance with the terms of the contract.

E: PBV Housing Assistance Payments Contract (HAP) Process for Rehabilitation or Newly Constructed Units

1. The PHA and the owner will enter into an Agreement to Enter into a HAP Contract (AHAP) for Project-Based Voucher provided by HUD.
2. "Timely Completion" of the development shall be defined in the AHAP.
3. If the development work is not completed (i.e. occupying permit being issued) within the timely completion period, the PHA reserves the right to either terminate the AHAP or provide an extension to the timely completion period.
4. The PHA may, as needed, determine the acceptability of work drawings and specifications and require additional drawings and specifications in the work description section of the AHAP.
5. The AHAP cannot be executed until after the PHA receives approval of the Subsidy Layering Review (if needed) and approval of the Environmental Review.
6. After receiving the approval in item 5 (above), the AHAP shall be executed within 30 calendar days.
7. The AHAP will clearly describe the required evidence of completion that will be provided by the owner.
8. The PHA will review all evidence of completion and either approve or require additional evidence.
9. The PHA will use the HUD issued Project-Based Voucher Housing Assistance payments (HAP) contract.
10. For existing housing, the HAP contract shall be executed within 14 calendar days after the units and buildings pass HQS inspection.
11. For newly constructed or rehabilitation housing, the HAP contract will be executed 14 calendar days after:
 - a. The PHA has inspected the completed units and buildings and determined the development work was completed pursuant to the AHAP;
 - b. The owner has submitted all required evidence of completion; and
 - c. The PHA has accepted the evidence of completion.
12. The term of the HAP Contract will be for 10 years unless there is a documented and compelling reason for a lesser term of not less than one (1) year.

F: Conduct of Development Work

1. If needed, the PHA shall monitor Davis-Bacon wage requirements bi-weekly.
2. The PHA will maintain adequate documentation in an easily audited format for all items required to be monitored per the AHAP.
3. The PHA will provide a Documentation of Completion Certification to the owner pursuant with 24 CFR 983.155.

G: Extension of HAP Contract

1. The HAP Contract may be extended for terms of up to 15 years if deemed appropriate by the PHA.
2. When determining appropriateness for a HAP Contract extension, the PHA may consider:
 - a. The owner's history of compliance with the HAP contract.
 - b. The owner's history of properly screening clients and enforcing the lease.
 - c. The PBV units can still be properly supported by the PHA Five-Year and Annual Plan or other documented community needs; and
 - d. The PHA determines that PBV is still the best use of the HCV program budget authority.

H: Substitution and Addition of Contract Units

1. When considering the substitution of a contract unit, in addition to the substitute unit meeting HQS, the PHA may take into consideration:
 - a. A request for reasonable accommodation.
 - b. Changes in the condition or use of units in the building.
 - c. A resulting improvement in program or building management; and
 - d. Other reasonable justifications.
2. When adding units to the PBV HAP Contract during the first three (3) years of the contract, the PHA may take into consideration:
 - a. The regulatory limits per building and 20% of ACC units.
 - b. A request for reasonable accommodation.
 - c. Changes in the condition or use of units in the building.
 - d. A resulting improvement in program or building management; and
 - e. Other reasonable justifications.

I: Condition of Contract Unit

1. When determining the need for additional HQS requirements, the following items may be considered:
 - a. Assurance of continued compliance with any design, architecture or quality requirements listed in the AHAP or HAP Contract; and
 - b. Request for reasonable accommodation.
2. Additional HQS requirements are located in the HQS section of this Section 8 Administrative Plan.

J: Management

1. Owner Responsibilities
 - a. The owner shall develop a written management plan that will be reviewed by the PHA during the proposal evaluation/rating process.
 - b. The PHA will review the owner's compliance performance with the HAP Contract on or about the anniversary date of the contract.
 - c. The owner shall appropriately screen applicants referred by the PHA.
 - d. Provide the PHA with a copy of any termination of tenancy notifications on the following day.
 - e. Offer vacant, accessible units to a family with one or more members with a disability requiring accessibility features of the vacant unit.
2. Waiting List and Selection for Participation
 - a. The PHA HCV will establish a separate waiting list for each PBV project unless increased efficiency can be achieved by having the same waiting list for two or more PBV

developments.

b. All applicants of the appropriate bedroom size(s) on the Section 8 HCV Program could be placed on the PBV waiting list when it is first established.

c. Applicants who pass the HUD required Section 8 Program screening will be referred to the Owner.

d. The PHA may place families referred by the owner of project-based voucher units on its PBV waiting list. Families will be referred to housing units from the waiting list.

e. Concerning Income Targeting, in any fiscal year, not less than 75% of families admitted to the combined tenant-based and Project-Based Voucher Program should be extremely low-income families.

f. PBV units will not remain vacant for an excessive period of time to meet the Income Targeting percentage.

3. Filing Vacant Units

a. When the Owner notifies the PHA of vacancies in the PBV units, the PHA will refer to the owner one or more families of the appropriate size on the waiting list. A family that refuses the offer of a unit with Project-Based assistance will maintain its place on the waiting list.

b. The owner must notify the PHA in writing within two (2) calendar days of learning of a vacancy.

c. The owner will confirm occupancy, usually through rent payment, once each month.

d. The PHA will refer applicants to the Owner within five (5) calendar days after receiving notice of vacancies. Such referral shall be in the form of providing the Owner with a copy of the Section 8 voucher and retain a copy with the application.

e. The Owner must rent all vacant units to eligible families referred by the PHA from its waiting list. The PHA will determine eligibility for participation in accordance with HUD requirements.

f. If the PHA does not refer a sufficient number of interested applicants on the PHA waiting list to the Owner within 30 calendar days of the Owner's notification to the PHA of a vacancy, the Owner may advertise for or solicit applications from eligible very low-income families. The Owner must refer these applicants to the PHA to determine final eligibility.

g. The Owner shall notify rejected applicants within three (3) calendar day of the decision in writing with a copy to the PHA.

4. Briefing the Family

Within seven (7) calendar days after accepting PBV, the PHA will provide an oral briefing and a written briefing packet pursuant to 24 CFR 983.252.

K: Overcrowded, Under-Occupied, and Accessible Units

The PHA's subsidy standards apply to the PBV program and will determine the appropriate unit size for the family size and composition.

1. If the PHA determines that family is occupying a wrong-size unit (overcrowded or underoccupied) or a unit with accessibility features that the family does not require and the unit is needed by a family that requires the accessibility features, the PHA will promptly notify the owner of this determination and offer family continued assistance in the form of:

- a. PBV assistance in an appropriate-size unit, in the same project or in another project.
- b. Other project-based housing assistance (e.g., by occupancy of a public housing unit);
- c. Tenant-based rental assistance under the HCV program; or
- d. Other comparable public or private tenant-based assistance (e.g., under the HOME program).

2. Termination of Housing Assistance Payment

a. If the PHA offers the family the opportunity to receive Tenant-based rental assistance under the HCV program, the PHA must terminate the HAP payment for a wrong-sized or accessible unit:

- 1) At the earlier of the expiration of the term of the family's voucher (including any

extension granted by the PHA), or

2) The date upon which the family vacates the unit.

3) If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the date of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

b. If the PHA offers the family the opportunity for another form of continued housing assistance, not in the tenant-based voucher program, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA will terminate the housing assistance payment for the wrong-sized or accessible unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

L: Reduction of Number of Units Covered by HAP Contract

1. Owners must lease all assisted units under HAP Contract to eligible families. Leasing of vacant units to ineligible tenants is a violation of the HAP Contract and grounds for all available legal remedies including suspension or debarment from HUD contracts and reducing the number of contract units.

2. The PHA may reduce the number of units if a unit is vacant for 120 days since Notice of Vacancy from the Owner to the PHA and the PHA has made good faith efforts to refer applicant to Owner.

3. Restoration

The PHA will agree to an amendment of the HAP contract to provide subsequent restoration of any reduction made, if:

- a. The PHA determines that the reduction is justified by demand;
- b. The Owner otherwise has a record of compliance with obligations under the HAP contract; and
- c. Contract authority is available.

M: Maintenance and Inspections

1. The owner must provide all services, maintenance and utilities as agreed under the HAP Contract, subject to abatement of housing assistance payments or other applicable remedies if the owner fails to meet these obligations

2. The PHA will inspect 100% of the PBV units under contract at least annually and at other times as may be necessary to assure the owner is meeting the obligations to maintain the units in decent, safe and sanitary condition and to provide the agreed upon utilities and services.

3. If the PHA notifies the owner the unit(s) under contract are not in decent, safe and sanitary condition and the owner fails to take corrective action within the time prescribed in the notice, the PHA may exercise any or all of its rights or remedies under the HAP Contract, including abatement of the housing assistance payment or termination of the HAP Contract.

N: Rent and Housing Assistance Payments

1. The Owner will not charge more than one (1) month's rent as a security deposit and will not charge a security deposit that is higher than non-subsidized units.

2. The PHA will maintain documents to clearly justify the determination or rent to owner pursuant to 24 CFR 983.301.

3. Rent Adjustments

a. If the Owner wishes a rent increase, the Owner must request a rent increase by written notice to the PHA at least 90 days before the HAP Contract anniversary date.

b. To be eligible for an increase, the Owner must comply with all requirements of the HAP Contract, including HQS for all contract units.

c. The adjusted rent will be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.

4. Special Rent Adjustments

- a. A special rent adjustment may be approved only to reflect increases in the actual and necessary cost of owning and maintaining the contract units due to substantial and general increases in:
 - 1) Real Property taxes;
 - 2) Special governmental assessments;
 - 3) Cost of utilities not covered by regulated rates.
- b. The owner must submit financial information, as requested by the PHA, that supports the request for a special adjustment.

5. Owner Certification of Rent

By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

6. Reasonable Rent

- a. The PHA will not enter into an agreement or HAP Contract until it is determined the initial rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination the PHA will consider:
 - 1) The location, quality, size, unit type, and age of the contract unit; and
 - 2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.
- b. The initial rent to the owner for a unit may not exceed the reasonable rent as determined by the PHA in accordance with 24 CFR 983.

7. FMR/Exception Rent Limit

The initial gross rent for the unit shall not exceed 110% of the established Fair Market Rent on the date the Agreement to enter into a HAP Contract is executed. The FMR/exception rent is determined by the PHA in accordance with 24 CFR 982.504

**PUBLIC HEARING NOTICE OF APPROVAL OF THE
ANNUAL PLAN/5 Year Plan/ACOP 2024-2025
Anniston Housing Authority
September 19, 2024**

The Public is hereby given notice that the Anniston Housing Authority (AHA) will conduct a Public Hearing on **October 21st, 2024, at 12:00 p.m.** The hearing will be held at 500 Glen Addie Anniston Alabama in the Resident Services building. The purpose of the hearing is to obtain public comments on changes to our Annual Plan, 5 Year Plan and the Admission and Continued Occupancy Policy (ACOP) and HCV Administrative Plan for 2024/2025. The AHA Board of Commissions will vote on approving the Plans includes the long-range goals and objectives for achieving the Authority's mission over the next five years on November 14th, 2024. This site is accessible to handicapped and disabled individuals.

The following are proposed changes to be included in the plan:

Public Housing Program/ACOP

General program clarifications and/or changes to definitions. Family Self Sufficiency (FSS) requirements. Policy required termination of families exceeding the over income limit. Removed truancy and resident id policy.

Housing Choice Voucher Program:

General program clarifications and/or changes to definitions. Create the HCV Homeownership program and Family Self Sufficiency (FSS) requirements.

Annual Plan & 5 Year Plan

Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:

- Glen Addie – repave the basketball court, install an outside siting area handicap accessible with new landscaping and sidewalks at main office. Repaving and stripping of central office parking lot.
- Glen Addie – Maintenance warehouse HVAC.
- Allocation of funding for pre-development cost, development cost, relocation benefits, office relocation and demolition cost as part of the AHA's Development Strategy. RAD funding for pre-closing cost. Environmental studies.
- Constantine – Appliance replacement and Interior improvements.
- Constantine – roof replacement
- Constantine – HVAC replacement for flat units
- Constantine – replace all infrared heaters.
- Fairview – Install security lighting and exterior cameras.
- Fairview – Tree removal as needed.
- Fairview – HVAC replacement
- Fairview – Roof replacement
- Fairview – upstairs subfloor replacement as well as /tile/cabinets countertops/sink/interior painting.
- Tinsley Manor – Exterior upgrades to include exterior door replacement with screens, exterior lighting, brick replacement and/or painting and roof replacement.
- Tinsley – exterior landscape improvements and repaving/striping the parking lot.
- Norwood – Kitchen cabinet replacement/bathroom sink and flooring upgrade.
- Norwood – Replace exterior siding.
- Norwood – Roof replacement
- Norwood – Exterior door and screen door replacement for both front and rear entrance
- Norwood – Create a playground/tot lot area
- Norwood – Conversion of HVAC units
- Norwood – Create additional parking in other areas.
- Norwood – Install seating at the basketball court, resurface and extend court and install concrete pads for benches.
- Installation of Exterior lighting for Fairview Terrace, and Tinsley Manor.
- Repainting/replacement of exterior siding for Fairview Terrace.
- Parkwin – - Roof replacement
- Washington - Roof replacement
- Parkwin Washington – HVAC replacement
- Washington & Parkwin –countertop replacement, kitchen cabinet replacement, flooring replacement, sink replacement for bathrooms that are not vented properly and interior painting.
- Washington & Parkwin – Stove and refrigerator replacement as needed.
- Exterior landscaping improves Norwood and Constantine administrative offices.
- Relocation payment assistance for Constantine residents
- Purchase a 35ft towable boom lift for maintenance.
- Car tag readers.
- Purchase two vehicles for safety department
- Install sealed smoke alarms with sealed batteries in all units.
- Emergency safety equipment 10 defibrillators for Public Office /10 updated medial cabinets with supplies/ Eye watering stations for maintenance shops.

A draft copy of our plans are available for review and inspection at all the AHA office locations and all the AHA website beginning **September 19, 2024**. For additional information concerning the plan, please telephone Gregg Fortner at (256)236-1575, extension 134. Residents may request a copy of the plan from your Property Manager.

All comments will be considered by the Housing Authority and the Board of Commissioners. Submission of written comments on the proposed plan must be received no later than October 21st, **2024**.

If any members of the Housing Authority communities require special accommodations in order to attend this meeting, please contact Terri Lloyd at 256-236-1575 extension 120.



Attachment D
Public comments received.

Attachment E

ACOP changes

Page Number	Section	Proposed change
5		Communication updates have added email and text notifications.
6	III. Family Information, Verification & Privacy Rights	<ul style="list-style-type: none"> • Applicants will be required to sign the Federal Privacy Act Statement, which states under what conditions HUD will release resident information. <ul style="list-style-type: none"> o The executed consent form will remain effective until the family is denied assistance, the assistance is terminated, or the family provides written notification to the PHA to revoke consent. o Families have the right to revoke consent by notice to the PHA; however, revoking consent will result in termination or denial of assistance. <p>NOTE 1: Revocation of consent or refusal to sign the consent form prohibits the PHA from requesting and accessing income information and financial records, including pulling any EIV reports and using EIV data to verify income.</p> <p>NOTE 2: The PHA must notify the local HUD office when an applicant or participant family member revokes their consent.</p>
9	b. Outreach	Affirmative Marketing now includes social media and Web site outreach
9	B. Qualifying for admission:	D. Assets do not exceed the limits described later in this section
11-14	D. Processing Applications for Admission:	<p>2. Interviews and Verification Process:</p> <ul style="list-style-type: none"> • 1st. Enterprise Income Verification (EIV). Must review EIV Income Report for all families when verifying income and maintain a copy in the resident file. Pg12. • NOTE: Cannot be used to calculate earned income. • 2nd. Up front income verification (UIV) (Ex: Work Number, Credit Bureau). UIV sources are those that can be accessed directly

by the PHA either online or via automated telephone system. If desired information is NOT obtained go to next step. Pg 12

- 3rd. Written Third Party Verification: Mandatory to supplement EIV reported income. Third-party generated documents, include paystubs, bank statements, print outs from online system, benefit letter, etc. Must collect at least two consecutive paystubs for employment income. If desired information is NOT obtained go to next step pg.13

- 4th. Third party written verification form. Send standard income verification to income source(s). May be sent by mail or fax.pg13

- Note: If a desirable response is not received in a timely manner a 2nd letter may be sent but not required in all cases. If desired information is NOT obtained go to next step pg13

- 6th May be used as highest form of verification when the family reports zero income.

D. Assets and Asset Income; pg14

o Real Property Ownership - The PHA will rely upon a self-certification from the family at both admission and reexamination stating that they do not have any present ownership interest in any real property.

☐ If a family declares present ownership in real property, PHAs must seek third-party verification of the following, as applicable:

- Whether or not the family has the legal right to reside in the property; and
- Whether or not the family has the effective legal authority to sell the property; and
- Whether or not the property is suitable for occupancy by the family as a residence.

☐ In the case of a family member who is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with the confidentiality requirements under 5.2007. The PHA will accept a self-certification from the family member, and the restrictions on requesting documentation under § 5.2007 apply.

o Net Family Assets under \$50,000

☐ The PHA will accept a family's self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation) and anticipated income earned from assets

		<p>without taking additional steps to verify accuracy, at admission and at reexamination, except.</p> <p><input type="checkbox"/> Every three years at reexamination net family assets must be fully verified</p> <p>Social Security numbers Pg 14. A self-certification and a third-party document with the applicant's name printed on it may be used satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation</p>
17-22	F Screening Applicants for Admission.	<p>2. Asset Limitation pg17.</p> <p>PHAs must deny admission of an applicant family for the following:</p> <ul style="list-style-type: none"> • Net family assets that exceed \$100,000 (adjusted annually for inflation); and/or • The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence. <p>3. Complying with essential lease requirements:</p> <p>m. lifetime ban pg 20.</p> <p>d) The HA may complete a credit check and/or a rental history check on all applicants.</p> <p>5. Qualified and Unqualified Applicants: pg 21</p> <p>a. Eligibility of the applicant with respect to net family assets limit</p> <p>C. NOTE: Additional denials may be issued on future applications if the reason for an earlier denial still exists (housekeeping, poor rent paying habits, etc. may require</p>

		<p>verification that the issues no longer exist). Pg. 22</p> <p>4. Denied admission for up to <u>10 years</u> for the following:</p> <ul style="list-style-type: none"> From date of conviction for drug trafficking/distribution.pg. 22
36	X. Eligibility for Continued Occupancy, Annual Reexaminations, and Remaining Family Members (See admissions Section for Further guidance)	<p>A. Eligibility for Continued Occupancy: Residents who meet the following criteria will be eligible for continued occupancy:</p> <p>5. Who comply with the HA's eight hour per month community service requirements (if applicable).</p> <p>6. The PHA will not enforce the asset limitation(s) above at Interim/Annual reexamination. The PHA will still calculate net family assets in the manner required by HUD.</p> <p>7. Who is not an over-income family (See section XII).</p>
37	B.Reexaminations:	<p>1. Regular (Annual) reexaminations:</p> <p>c. Upon completion of reexamination and verification, resident shall be provided reasonable advanced notice (must be 30 days for increases in rent), in writing, prior to the effective date of the following: pg. 37</p>
39-40	<p>XI Interim Rent Adjustments</p> <p>A. Adjusting Rent between Regular Reexaminations</p>	<p>A.Adjusting Rent between Regular Reexaminations:</p> <p>1. deductions</p> <p>2. The HA wishes to encourage families to improve their economic circumstances, so adjusted income changes of less than 10 percent in family adjusted income between reexaminations will not result in a rent change.</p> <p>Income Change</p> <ul style="list-style-type: none"> Decrease in family income greater than 10 percent of annual adjusted income, except for decrease that lasts fewer than 30-days. The HA will process an interim reduction in rent if the income decrease will last more than 30-days. Decreases in income resulting from welfare fraud

or from welfare cuts for failure to comply with economic self-sufficiency requirements are not eligible for rent reductions.

- Decrease in family income when a family member permanently moves out of the unit. The HA will process an interim decrease unless there is no change/decrease in adjusted income as a result of the decrease in family size, then a non-interim transaction is processed instead of an interim reexamination.
- Increase in family income following the HA granting of interim rent decrease. The HA will process an interim increase for annual **adjusted income** increases of 10 percent or more that follow interim rent reductions.
- Increase in income because a person with unearned income that increases adjusted income of the family by more than 10 percent joins the household. The HA will process an interim increase.
- Increase in income because a person with earned income or no income joins the household. The HA will process a non-interim reexamination and inclusion of the income will be delayed until annual reexamination.
- Increase in income from any new source that are greater than 10 percent of annual **adjusted income** and the HA previously processed an interim decrease during the certification period. The HA will process an interim increase.
- Incremental increases in family income due to pay increases or raises from

existing employment. The HA will defer the increase to the next regular reexamination unless it would result in an increase in **adjusted income** of 10 percent or more and the family has previously received an interim reduction during the same reexamination cycle.

- Increase in unearned income (e.g. COLA adjustment for social security; unemployment benefits; TANF; new social security/SSI benefits; etc.). The HA will defer the increase to the next regular reexamination unless it would result in an increase in **adjusted income** of 10 percent or more.

c. Deduction Change: pg. 40

- a. A change in family status will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income**.
- b. A change in the number of dependents will be processed.
- c. A change in medical expenses will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income** (see hardship exemption).
- d. A change in childcare expenses will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income** (see hardship exemption).

B. Effective Date of Adjustments pg. 40

2. Rent increases (except those due to misrepresentation or late

		<p>reporting) become effective the first of the month following a 30 day written notification of the increase in rent.</p> <p>3. For misrepresented or failure to report timely, the HA will apply any increase in rent retroactive to the month following the month in which the misrepresentation occurred</p>
40-41	<p>XII. REQUIRED TERMINATION OF FAMILIES EXCEEDING THE OVER INCOME LIMIT policy not in previous ACOP</p>	<p>The Housing Opportunity Through Modernization Act of 2016 requires that Public Housing Authorities establish income limits for continued occupancy. The law sets the limit at 120 percent of the area median income. Families with a valid Family Self-Sufficiency (FSS) contract are exempt from this Regulation.</p> <p>A. Over Income Limit: The over income limit is determined by multiplying the current HUD published Very-Low Income Limit for the family size by 2.4. Families are provided with a two-year grace period before any actions are taken in regards to an over income status.</p> <p>B. Timing</p> <p>1. At every annual or interim reexamination of income (on or after March 24, 2019) the HA will determine if the family's adjusted income exceeds the over-income limit. The HA shall document and track any over-income findings in the resident's file.</p> <p>2. For over-income families, the HA will schedule an income reexamination (annual or interim) 12 months from the reexamination that identified the family as over income.</p> <p>NOTE: The Flat Rent annual update does not require an over-income determination, only the income reexamination that must be performed at least once every three years for families on flat rents. If a Flat Rent family is over income at the reexamination, an interim reexamination must be conducted in 12 months.</p> <p>C. . Actions</p> <p>1. If one year after the initial over-income finding by the HA, the family's income continues to exceed the over-income limit, the</p>

		<p>HA will provide written notification to the family.</p> <p>2. This notification must inform the family that their income has exceeded the over-income limit for one year, and if the family's income continues to exceed the over-income limit for the next 12 consecutive months, the family will be subject to a higher rent (based on HUD guidelines to be provided and will be posted in the development office).</p> <p>NOTE: If the HA discovers through an annual or interim reexamination that a previously over-income family has income that is now below the over-income limit, the family is no longer subject to these provisions. A previously over-income family would be entitled to a new two-year grace period if the family's income once again exceeds the over-income limit.</p> <p>Exception: The over-income limit does not apply to families with income exceeding the over-income limit if they are housed by a PHA renting to over-income families under Section XXIV, Occupancy by over Income Families in Certain Public Housing.</p>
43	<p>XIV UTILITIES</p> <p>a. Resident paid</p>	<p>2. When a residents Total Tenant Payment is less than the utility allowance, the HA may pay a utility reimbursement, equal to the difference between one month's total tenant payment and the utility allowance, the utility allowance would be paid to the resident.</p>
	<p>Procedures to Be Used in Determining Income and Rent pages 45-50 have complete terminology updated.</p>	<p>A. Annual Income: pg. 45</p> <p>Annual income includes, with respect to the family all amounts, not specifically excluded (see annual income definition), received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and when the value of net family assets exceeds \$50,000 (adjusted annually by HUD) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.</p> <p>1. Calculating Annual Income at Annual Reexamination:</p> <p>Step 1: Determine the annual income for the previous 12-month period as defined at 24 CFR</p>

§ 5.609(a) and (b). If there have been no changes to income beyond this calculation, then this is the amount that will be used to determine the family's rental assistance.

Review the following information to determine prior-year income:

- The EIV Income Report (must be pulled within 120 days of the effective date of the annual reexamination to be considered current);
- The income reported on the most recent reexamination HUD-50058/HUD-50059; and
- What the family certified to on the annual reexamination paperwork for prior-year income.

Step 2: Take into consideration any interim reexamination of family income completed since the last annual reexamination.

- If there was an interim reexamination performed, the PHA must use the annual income from the interim to determine the family's rental assistance, if there are no additional changes.
- If the PHA Owner did not perform an interim or there have been changes since the last reexamination, move to Step 3.

Step 3: If there were changes in annual income not processed by the PHA since the last reexamination, use current income.

- Family reports their income for the prior year and whether there have been permanent changes.
- If there are no reported changes to an income source, the PHA may use documentation of prior-year income to calculate the annual income used for the current annual reexamination HUD-50058/HUD-50059. For example, the PHA/MFH Owner could use the following documentation and certification from the family:
 - EIV + self-certification (wages, Supplemental Security Income (SSI), Social Security, and unemployment)
 - Current level 4B2 documents verifying prior-year income that are dated within the required timeframe (120 days of receipt by the PHA/MFH Owner), for example:
 - Year-end statement
 - Paycheck with year-to-date amount
 - Tax forms (Form 1040, W2, 1099, etc.)

- If there are reported changes by the family or the PHA notes discrepancies between EIV and what the family reports, follow the verification hierarchy to document and verify income. See Attachment J (paragraph J.5) (Verification Hierarchy) of this notice for information about verification.

B. Anticipating Annual Income: pg. 46
If it is not feasible to anticipate income for a 12 month period, the HA may use the annualized income anticipated for a shorter period, subject to an interim adjustment at the end of the shorter period. (This method would be used for teachers who are only paid for nine months, or for residents receiving unemployment compensation.)

C. Adjusted Income: pg. 46
Adjusted income means annual income (Section VI(A) above) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

(a) Mandatory deductions.

(1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education. A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, BUT ONLY when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be unreimbursed expenses and shall not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by the HA when the expense is incurred to permit education or to seek employment.

(b) Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses

(1) Phased-in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

NOTE: Eligible families will begin receiving the 24-month phased-in relief at their next annual reexamination or interim reexamination, whichever occurs first after January 1, 2024. When an eligible family's phased-in relief begins at an interim reexamination, the PHA/MFH Owner will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

(i) Eligibility for relief. To receive hardship relief under this paragraph (b)(1), the family must have received a deduction from annual income because their sum of expenses under paragraph (b)(3) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) Form of relief.

(A) The family will receive a deduction totaling the sum of the expenses under paragraph (a)(3) of this section that exceeds 5 percent of annual income.

(B) Twelve months after the relief in this paragraph (b)(1)(ii) is provided, the family will receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this paragraph (b)(1)(ii) is provided, the family will receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be paragraph (d)(1) of this section.

(D) A family may request hardship relief under paragraph (b)(2) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under paragraph (b)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (b)(2) of this section. Once a family chooses to obtain relief under paragraph (b)(2) of this section, a family may no longer receive relief under this paragraph.

(2) General. This paragraph (b)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) Eligibility for relief.

(A) To receive hardship relief under this paragraph (b)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances (See examples below) that would not otherwise trigger an interim reexamination.

Examples under which residents would qualify for the hardship exemption relief under b(2)(A) would be limited to the following:

- The inability of the family to pay the rent is generally considered an increase in rent of more than 10 percent directly attributable to the increased deductible above 3 percent.
- The family no longer receives reimbursement for health and medical care expenses previously reimbursed resulting in an increase in rent of more than 10 percent.

- The family would be evicted as result of the imposition of the medical deduction decrease.
- A death in the family has occurred resulting in a decrease in health and medical care expenses that is not offset by a decrease in income resulting in at least a 10 percent increase in rent; or
- Other circumstances as determined by the HA

(B) Relief under this paragraph (b)(2) is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (b)(1) of this section, or previously received relief under paragraph (b)(1) of this section. (see examples under (i))

(ii) Form and duration of relief.

(A) The family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceeds 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.

(c) Exemption to continue childcare expense deduction. A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction under paragraph (a)(4) of this section. The Housing Authority will recalculate the family's adjusted income and continue the childcare deduction if the family demonstrates to the Housing Authority's satisfaction that the family is unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation will remain in place for a period of up to 90 days.

Requirements under which residents would qualify for the hardship exemption relief under (c) would be limited to the following:

		<ul style="list-style-type: none"> • The Family must document the necessity for continued childcare such as to maintain a spot(s) with the childcare agency for: <ul style="list-style-type: none"> o Seasonal employment which is expected to resume within 90 days. o Serious medical condition expected to last 90 days or less. • The family must show an inability to pay rent generally considered an increase in rent of more than 10 percent directly attributable to the loss of the childcare deduction. • The family would be evicted as result of the imposition of the medical deduction decrease. • A death in the family has occurred resulting in a temporary need (90 days or less) to continue childcare expenses. • Other circumstances as determined by the HA <p>The Housing Authority will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the approval of a hardship exemption. The notice will include when the hardship exemption will begin and expire.</p>
50	6. De Minimis Errors in Income Determinations:	<p>PHAs will not be considered out of compliance solely due to de minimis errors in calculating family income. De minimis errors occur when a PHA's determination of a family's income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (or \$360 in annual adjusted income).</p> <p>If an error occurred in the calculation of income that results in the family overpaying rent, the amount of overpayment retroactive until the effect date of the error will be credited to the tenant account. The family may request a refund of the credit amount that exceeds charges due in the next 30 days or the credit will be applied to future charges.</p>

Definitions:

Adjusted Income 57 - 59 Wording clarification

Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the deductions outlined in Section VI(C):

(a) *Mandatory deductions.*

(1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:

(i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and

(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

(b) *Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses*

(1) *Phased-in relief.* This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

(i) *Eligibility for relief.* To receive hardship relief under this paragraph (c)(1), the family must have received a deduction from annual income because their sum of expenses under paragraph (a)(3) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) *Form of relief.* (A) The family will receive a deduction totaling the sum of the expenses under paragraph (a)(3) of this section that exceed 5 percent of annual income.

(B) Twelve months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be paragraph (d)(1) of this section.

(D) A family may request hardship relief under paragraph (c)(2) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under paragraph (c)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (c)(2) of this

section. Once a family chooses to obtain relief under paragraph (c)(2) of this section, a family may no longer receive relief under this paragraph.

(2) *General.* This paragraph (c)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) *Eligibility for relief.*

(A) To receive hardship relief under this paragraph (c)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

(B) Relief under this paragraph (c)(2) is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (c)(1) of this section, or previously received relief under paragraph (c)(1) of this section.

(ii) *Form and duration of relief.*

(A) The family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.

(c) *Exemption to continue childcare expense deduction.* A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction under paragraph (a)(4) of this section. The Housing Authority must recalculate the family's adjusted income and continue the childcare deduction if the family demonstrates to the Housing Authority's satisfaction that the family is unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation will remain in place for a period of up to 90 days.

(d) *Hardship policy.*

(1) *Hardship Exemptions:*

- A family may request a hardship exemption for increases in health and medical expenses of more than 10 percent that do not decrease **adjusted income** by 10 percent if the family has an inability to pay the rent increase.
- A family may request a hardship exemption for continuing childcare deductions when the family no longer qualifies otherwise for the childcare deduction and childcare is still necessary (ex. Resident quits a job to care for a sick relative outside the household. Childcare may still be required to allow for the care of the relative), provided the new rent with no childcare deduction would be reduced by at least 10 percent using the childcare deduction.
- Responsible entity determination. The responsible entity must establish a policy on how it defines what constitutes a hardship under paragraphs (b) and (c) of this section, which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under paragraph (d) of this section.

	<p>(2) Family notification. The HA will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under paragraph (c)(1)(ii) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with paragraphs (c)(2)(ii)(B) or (d) of this section).</p>
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<p>Annual Income 59-65 Wording clarification</p>	<p>(a) Annual income includes, with respect to the family:</p> <p>(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and</p> <p>(2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.</p> <p>(b) Annual income does not include the following:</p> <p>(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.</p> <p>(2) The following types of trust distributions:</p> <p>(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):</p> <p>(A) Distributions of the principal or corpus of the trust; and</p> <p>(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.</p> <p>(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.</p>
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(3) Earned income of children under the 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.

(7) 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 arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.

(9)(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—

(1) The Federal government.

(2) A State, Tribe, or local government.

(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—

(1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section.

(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);

(3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph

(b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)(i) 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);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (*e.g.*, special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family

member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) 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.

(14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.*, proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of

assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the **Federal Register** to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (*e.g.*, wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

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

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

(c) *Calculation of Income.* The PHA or owner must calculate family income as follows:

(1) *Initial occupancy or assistance and interim reexaminations.* The PHA or owner must estimate the income of the family for the upcoming 12-month period:

(i) To determine family income for initial occupancy or for the initial provision of housing assistance; or

(ii) To determine family income for an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.

(2) *Annual Reexaminations.* (i) The PHA or owner must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA or owner uses a streamlined income determination under §§ 5.657(d), 960.257(c), or 982.516(b) of this title.

(ii) In determining the income of the family for the previous 12-month period, the PHA or owner must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.

(iii) The PHA or owner must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

(3) *Use of other programs' determination of income.* (i) The PHA or owner may, using the verification methods in paragraph (c)(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:

(A) The Temporary Assistance for Needy Families block grant ([42 U.S.C. 601, et seq.](#)).

(B) Medicaid ([42 U.S.C. 1396 et seq.](#)).

(C) The Supplemental Nutrition Assistance Program ([42 U.S.C. 2011 et seq.](#)).

(D) The Earned Income Tax Credit ([26 U.S.C. 32](#)).

(E) The Low-Income Housing Credit ([26 U.S.C. 42](#)).

(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children ([42 U.S.C. 1786](#)).

(G) Supplemental Security Income ([42 U.S.C. 1381 et seq.](#)).

(H) Other programs administered by the Secretary.

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the **Federal Register**.

(ii) If a PHA or owner intends to use the annual income determination made by an administrator for allowable forms of Federal means-tested public assistance under this paragraph (c)(3), the PHA or owner must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the

	<p>family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA or owner must calculate annual income in accordance with <u>24 CFR part 5, subpart F</u>. The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.</p> <p>(4) <i>De minimis errors</i>. The PHA or owner will not be considered out of compliance with the requirements in this paragraph (c) solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA or owner determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.</p> <p>(i) The PHA or owner must still take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent or family share as a result of the de minimis error in the income determination, but families will not be required to repay the PHA or owner in instances where a PHA or owner has miscalculated income resulting in a family being undercharged for rent or family share.</p> <p>(ii) HUD may revise the amount of de minimis error in this paragraph (c)(4) through a rulemaking published in the Federal Register for public comment.</p>
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Day Laborer	An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.
Dependent	A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student. [24 CFR 5.603] An unborn child shall not be considered a dependent.
Earned Income	Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.
Family	Includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

	<ul style="list-style-type: none"> • A single person, who may be: <ul style="list-style-type: none"> ○ An elderly person, displaced person, disabled person, near-elderly person, or any other single person: ○ An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (<u>42 U.S.C. 675(5)(H)</u>), and is homeless or is at risk of becoming homeless at age 16 or older: • A group of persons residing together, and such group includes, but is not limited to: <ul style="list-style-type: none"> ○ A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family) • An elderly family • A near-elderly family • A disabled family • A displaced family • The remaining member of a tenant family • A foster care arrangement, or a kinship care arrangement <p>Other persons, including members temporarily absent (e.g. a child temporarily placed in foster care or a student temporarily away at college), may be considered a part of the applicant family's household if they are living or will live regularly with the family. [24 CFR § 5 and 960]</p> <p>Live-in Aides may also be considered part of the applicant family's household. However, live-in aides are not family members and have no rights of tenancy or continued occupancy.</p> <p>Foster Care Arrangements include situations in which the family is caring for a foster adult, child, or children in their home who have been placed there by a public child placement agency, or a foster adult or adults placed in the home by a public adult placement agency. For purposes of continued occupancy: the term family also includes the remaining member of a resident family with the capacity to execute a lease.</p>
Foster Adult	<p>A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.</p>

Health and medical care expenses	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.
Income Exclusions	<ul style="list-style-type: none"> • See Annual Income Definition
Independent Contractor	An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.
Minor	A member of the family, other than the head of family or spouse, who is under 18 years of age.
Net Family Assets	<p>(1) Net family assets is the net 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 other forms of capital investment.</p> <p>(2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. 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 investments from family assets.</p> <p>(3) Excluded from the calculation of net family assets are:</p> <ul style="list-style-type: none"> (i) The value of necessary items of personal property; (ii) The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers); (iii) The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; (iv) 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; (v) 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 arising out of law, that resulted in a family member being a person with a disability;

	<p>(vi) The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government.</p> <p>(vii) Interests in Indian trust land;</p> <p>(viii) Equity in a manufactured home where the family receives assistance under <u>24 CFR part 982</u>;</p> <p>(ix) Equity in property under the Homeownership Option for which a family receives assistance under <u>24 CFR part 982</u>;</p> <p>(x) Family Self-Sufficiency Accounts; and</p> <p>(xi) Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.</p> <p>(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.</p>
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Real Property	The same meaning as that provided under the law of the State in which the property is located.
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Seasonal Worker	An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.
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Unearned income	Any annual income, as calculated under § 5.609, that is not earned income (see earned income definition above).
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Policy Additions:

Appendix S - Assistance Animal Policy	197
Appendix T -HCV Homeownership program	199
Appendix U - Family Self Sufficiency (FSS)	200

Attachment F
HCV Administrative Changes 2024

HCV Administration Proposed Changes 2024

Page Number	Section	Old	Proposed change
1	Primary Responsibilities of the HA		Add: Inspecting HCV units to determine that they meet or exceed HCV, Housing Quality Standards; NOTE: Effective October 1, 2024, this standard changes to NSPIRE
52	Administrative Fee Reserve Expenditures		Expenditures from the administrative fee reserve of the HCV programs in excess of \$_____ will be approved by the board of commissioners of the HA.
57-58	Special Housing Types		6. Housing quality standards Sec. 982.614(Will convert to NSPIRE effective October 1, 2024) a. Compliance with HQS/NSPIRE: The HA may not give approval to reside in a group home unless the unit, including the portion of the unit available for use by the assisted person under the lease, meets the housing quality/NSPIRE standards.
69-71	Appendix "A" Definitions		Adjusted Income Adjusted income means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions: (a) Mandatory deductions. (1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;

			<p>(2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;</p> <p>(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:</p> <p>(i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and</p> <p>(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and</p> <p>(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.</p> <p>(b) Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses</p> <p>(1) Phased-in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to</p>
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receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income.

(i) Eligibility for relief. To receive hardship relief under this paragraph (c)(1), the family must have received a deduction from annual income because their sum of expenses under paragraph (a)(3) of this section exceeded 3 percent of annual income as of January 1, 2024.

(ii) Form of relief. (A) The family will receive a deduction totaling the sum of the expenses under paragraph (a)(3) of this section that exceed 5 percent of annual income.

(B) Twelve months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed 7.5 percent of annual income.

(C) Twenty-four months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed ten percent of annual income and the only remaining relief that may be available to the family will be paragraph (d)(1) of this section.

(D) A family may request hardship relief under paragraph (c)(2) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief

		<p>under paragraph (c)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (c)(2) of this section. Once a family chooses to obtain relief under paragraph (c)(2) of this section, a family may no longer receive relief under this paragraph.</p>
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(2) General. This paragraph (c)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) Eligibility for relief.

(A) To receive hardship relief under this paragraph (c)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

(B) Relief under this paragraph (c)(2) is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (c)(1) of this section, or previously received relief under paragraph (c)(1) of this section.

(ii) Form and duration of relief.

(A) The family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this

		<p>section that exceed 5 percent of annual income.</p> <p>(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.</p> <p>(c) Exemption to continue childcare expense deduction. A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction under paragraph (a)(4) of this section. The Housing Authority must recalculate the family's adjusted income and continue the childcare deduction if the family demonstrates to the Housing Authority's satisfaction that the family is unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation will remain in place for a period of up to 90 days.</p> <p>(d) Hardship policy.</p> <p>(1) Hardship Exemptions:</p> <ul style="list-style-type: none"> • A family may request a hardship exemption for increases in health and medical expenses of more than 10 percent that do not decrease adjusted income by 10 percent if the family has an inability to pay the rent increase. • A family may request a hardship exemption for
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			<p>continuing childcare deductions when the family no longer qualifies otherwise for the childcare deduction and childcare is still necessary (ex. Resident quits a job to care for a sick relative outside the household. Childcare may still be required to allow for the care of the relative), provided the new rent with no childcare deduction would be reduced by at least 10 percent using the childcare deduction.</p> <ul style="list-style-type: none"> • Responsible entity determination. The responsible entity must establish a policy on how it defines what constitutes a hardship under paragraphs (b) and (c) of this section, which includes determining the family's inability to pay the rent, for purposes of determining eligibility for a hardship exemption under paragraph (d) of this section. <p>(2) Family notification. The HA will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under paragraph (c)(1)(ii) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with paragraphs (c)(2)(ii)(B) or (d) of this section).</p>
71-77	Appendix "A" Definitions		<p>Annual Income</p> <p>(a) Annual income includes, with respect to the family:</p>

(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

(2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when

		<p>the distributions are used to pay the costs of health and medical care expenses for a minor.</p> <p>(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.</p> <p>(3) Earned income of children under 18 years of age.</p> <p>(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.</p> <p>(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.</p> <p>(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.</p> <p>(7) 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 arising out of law, that resulted in a member of the family becoming disabled.</p> <p>(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.</p> <p>(9)(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C.</p>
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			<p>1087uu), requires be excluded from a family's income; and</p> <p>(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.</p> <p>(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—</p> <p>(1) The Federal government.</p> <p>(2) A State, Tribe, or local government.</p> <p>(3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3);</p> <p>(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or</p> <p>(5) An institution of higher education.</p> <p>(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—</p> <p>(1) Any assistance that is excluded pursuant to</p>
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		<p>paragraph (b)(9)(i) of this section.</p> <p>(2) Financial support provided to the student in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section);</p> <p>(3) Gifts, including gifts from family or friends; or</p> <p>(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.</p> <p>(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:</p> <p>(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;</p> <p>(2) Expressly to assist a student with the costs of higher education; or</p> <p>(3) Expressly to assist a student who is not the</p>
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head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

			<p>(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or</p> <p>(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.</p> <p>(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.</p> <p>(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.</p> <p>(12)(i) 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);</p> <p>(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;</p> <p>(iii) Amounts received under a resident service</p>
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		<p>stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.</p>
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(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) 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.

(14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

(16) Deferred periodic amounts from Supplemental

		<p>Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.</p> <p>(17) Payments related to aid and attendance under 38 U.S.C. 1521 to veterans in need of regular aid and attendance.</p> <p>(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.</p> <p>(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.</p> <p>(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g., proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).</p>
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			<p>(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.</p>
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			<p>(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.</p>
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			<p>(23) Replacement housing "gap" payments made in accordance with 49 CFR part 24 that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing "gap" payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.</p>
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			<p>(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an</p>
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		<p>independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies.</p> <p>Nonrecurring income includes:</p> <p>(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.</p> <p>(ii) Direct Federal or State payments intended for economic stimulus or recovery.</p> <p>(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.</p> <p>(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.</p> <p>(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).</p> <p>(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.</p> <p>(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.</p> <p>(25) Civil rights settlements or judgments, including settlements or judgments for back pay.</p> <p>(26) Income received from any account under a</p>
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		<p>retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.</p>
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(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

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

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

(c) Calculation of Income. The PHA or owner must calculate family income as follows:

(1) Initial occupancy or assistance and interim

		<p>reexaminations. The PHA or owner must estimate the income of the family for the upcoming 12-month period:</p> <p>(i) To determine family income for initial occupancy or for the initial provision of housing assistance; or</p> <p>(ii) To determine family income for an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.</p> <p>(2) Annual Reexaminations. (i) The PHA or owner must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA or owner uses a streamlined income determination under §§ 5.657(d), 960.257(c), or 982.516(b) of this title.</p> <p>(ii) In determining the income of the family for the previous 12-month period, the PHA or owner must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.</p> <p>(iii) The PHA or owner must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.</p> <p>(3) Use of other programs' determination of income. (i) The PHA may, using the verification methods</p>
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			<p>in paragraph (c)(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:</p> <p>(A) The Temporary Assistance for Needy Families block grant (, et seq.).</p> <p>(B) Medicaid (42 U.S.C. 1396 et seq.).</p> <p>(C) The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.).</p> <p>(D) The Earned Income Tax Credit (26 U.S.C. 32).</p> <p>(E) The Low-Income Housing Credit (26 U.S.C. 42).</p> <p>(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children (42 U.S.C. 1786).</p> <p>(G) Supplemental Security Income (42 U.S.C. 1381 et seq.).</p> <p>(H) Other programs administered by the Secretary.</p> <p>(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.</p> <p>(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the Federal Register.</p> <p>(ii) If a PHA or owner intends to use the annual income determination made by an administrator for</p>
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		<p>allowable forms of Federal means-tested public assistance under this paragraph (c)(3), the PHA or owner must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA or owner must calculate annual income in accordance with 24 CFR part 5, subpart F. The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.</p>
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(4) De minimis errors.

The PHA or owner will not be considered out of compliance with the requirements in this paragraph (c) solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA or owner determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.

(i) The PHA or owner must still take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent or family share as a result of the de minimis error in the

			<p>income determination, but families will not be required to repay the PHA or owner in instances where a PHA or owner has miscalculated income resulting in a family being undercharged for rent or family share.</p> <p>(ii) HUD may revise the amount of de minimis error in this paragraph (c)(4) through a rulemaking published in the Federal Register for public comment.</p> <p>o</p>
77	Appendix “A” Definitions		<p>Assets</p> <p>Assets mean cash (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets includes the value of personal property listed in the chart under the NET Family Assets definition. IMPORTANT: See the definition of Net Family Assets, for assets used to compute annual income. (See the definition of Net Family Assets)</p>
78	Appendix “A” Definitions		<p>Day Laborer An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.</p>
78	Appendix “A” Definitions		<p>Earned Income</p> <p>Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for</p>

			certain benefits), or any cash or in-kind benefits.
80	Appendix "A" Definitions		Foster Adult A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.
82	Appendix "A" Definitions		Independent Contractor An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.
84	Appendix "A" Definitions		Minor A member of the family, other than the head of family or spouse, who is under 18 years of age
84-86	Appendix "A" Definitions		Net Family Assets The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded (see Exclusions below). Assets with negative equity. The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real

		<p>property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.</p> <p>Assets disposed of for less than fair market value. In determining the value of net family assets, PHAs must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.</p> <p>Exclusions: Required exclusions from net family assets include the following:</p> <ul style="list-style-type: none">• The value of necessary items of personal property. (See chart below)• The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation.• The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.• The value of real property that the family does not have the effective legal authority to
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			<p>sell in the jurisdiction in which the property is located.</p> <ul style="list-style-type: none"> • 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 arising out of law that resulted in a member of the family being a person with disabilities. • The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of such Code; and the amounts in, contributions to, and 61 distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code. • The value of any “baby bond” account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults). • Interests in Indian trust land. • Equity in a manufactured home where the family receives assistance under 24 CFR Part 982. • Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982. • Family Self-Sufficiency accounts. • Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family. • The full amount of assets held in an irrevocable trust. (See paragraph F.4.d (Trusts) of this notice.)
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		<ul style="list-style-type: none">• The 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 or household. (See paragraph F.4.d (Trusts) of this notice) <p>Examples of Necessary and Non-Necessary Personal Property</p> <table><tr><td>Necessary Personal Property</td><td>Non-Necessary Personal Property</td></tr><tr><td>Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)</td><td>Recreational car/vehicle not needed for day-today transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs))</td></tr><tr><td>Furniture, carpets, linens, kitchenware</td><td>Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds)</td></tr><tr><td>Common appliances</td><td>Recreational boat/watercraft</td></tr><tr><td>Common electronics (e.g., radio, television, DVD player, gaming system)</td><td>Expensive jewelry without religious or cultural value, or which does not hold family significance</td></tr><tr><td>Clothing</td><td>Collectibles (e.g., coins/stamps)</td></tr><tr><td>Personal effects that are not luxury items (e.g., toys, books)</td><td>Equipment/machinery that is not used to generate income for a business</td></tr><tr><td>Wedding and engagement rings</td><td>Items such as</td></tr></table>	Necessary Personal Property	Non-Necessary Personal Property	Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)	Recreational car/vehicle not needed for day-today transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs))	Furniture, carpets, linens, kitchenware	Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds)	Common appliances	Recreational boat/watercraft	Common electronics (e.g., radio, television, DVD player, gaming system)	Expensive jewelry without religious or cultural value, or which does not hold family significance	Clothing	Collectibles (e.g., coins/stamps)	Personal effects that are not luxury items (e.g., toys, books)	Equipment/machinery that is not used to generate income for a business	Wedding and engagement rings	Items such as
Necessary Personal Property	Non-Necessary Personal Property																	
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Wedding and engagement rings	Items such as																	

			<p>gems/precious metals, antique cars, artwork, etc.</p> <p>Jewelry used in religious/cultural celebrations and ceremonies</p> <p>Religious and cultural items</p> <p>Medical equipment and supplies</p> <p>Health care–related supplies</p> <p>Musical instruments used by the family</p>
87	Appendix “A” Definitions		<p>Seasonal Worker An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.</p>
88	Appendix “A” Definitions		<p>Unearned income Any annual income, as calculated under § 5.609, that is not earned income (see earned income definition above).</p>

Page Number	Section	Old	Proposed change
20	Family Obligations under the Program 16	Not Listed	Add: See Appendix K
20	Grounds for Termination 17	The grounds on which the HA may terminate assistance for a participant family because of family action or failure to act	Change: HUD regulations specify mandatory and optional grounds for which a HA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. (CFR 982.552 & CFR 982.553)
30	Occupied Inspections	Not Listed	Add #7. Abatement Inspections – If a defect is life threatening, the owner must correct the defect within no more than 24 hours. (CFR 982.404(a)(1-4))
36	Repayment Agreement	Not Listed	Add: See Appendix L
40	Notification of Termination B	Not Listed	Add: The HA will send a 30-day notice to the landlord in writing of participant(s) termination. This will serve as notice of the last HAP payment from the HA for participant(s).
Appendix C	Rent Reasonableness	Rent Reasonableness Certification	Updated form
	HOTMA Final Rule	Not Listed	Add: See Appendix M
	VAWA		General Policy Changes