

Auburn Housing Authority S8 HCV Administrative Plan

Proposed Changes

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

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

Effective January 1, 2024, the Final Rule implementing Sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) takes into effect and the updates in the Housing Choice Voucher Administrative Plan meet these HUD requirements to update the Administrative Plan and Admissions and Continued Occupancy Policy with the regulation changes. HOTMA must be fully implemented by January 1, 2025. Additional information can be found on the HUD website at

https://www.hud.gov/program_offices/housing/mfh/hotma#:~:text=Background,to%20income%20calculation%20and%20reviews

HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

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8. Completing, signing and providing all necessary documents required for participation in the Section 8 HCV program, i.e., HAP Contract certifications, Direct Deposit account information, Tax ID’s/EIN’s, etc.).

If the HAP is abated and the assisted family is forced to move because of an owner’s non-compliance with owner responsibilities, AHA may use abated HAP to help the family to locate alternative housing (moving costs, security deposit, etc.).

SECTION 1.6 OBLIGATIONS OF THE FAMILY – pg. 9

A. Supplying required information

3. The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.

- Under 24 CFR 5.216(g)(1), If an individual is not able to provide documentation of SSN, AHA may accept self-certification of SSN along with a third-party document displaying the name and SSN of the individual.
- The executed consent form (HUD-9886-A) 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. Revocation of consent will result in denial of admission or termination of assistance.

SECTION 3.2 ELIGIBILITY CRITERIA – pg. 16

B. Income Eligibility

6. Income limit restrictions do not apply to families transferring units within the Auburn Housing Authority Section 8 Program.
7. Families that do not own Net Family Assets (as defined herein) worth more than \$100,000.
8. Families that do not own a home they could live in (as defined herein)

SECTION 9.2: INCOME – pg. 45

A. Annual Income 24 CFR § 5.609(a)

Annual income includes, with respect to the family:

1. All amounts not specifically excluded in the list of excluded income listed in 9.3 EXCLUSIONS FROM ANNUAL INCOME, 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 in accordance with the Consumer Price Index) 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.

~~Annual income means all amounts, monetary or not, that:~~

- ~~A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or~~
- ~~B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and~~
- ~~C. Are not specifically excluded from annual income.~~

B Annual income includes, but is not limited to:

2. Self-Employment Income Gross income received through self-employment or operation of a business; with the exception of the following which shall be considered income:
 - Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An

allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regulations; and

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

~~2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.~~

3. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.

~~C. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.~~

~~D. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)~~

- a. A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction), plus the total amount of other annual income. The imputed welfare income is offset by the amount of additional income the family receives that starts after the sanction is imposed. When such additional income is equal to the imputed welfare income, the imputed welfare income is reduced to zero.
- b. The Auburn Housing Authority will not include imputed welfare income in annual income if the family was not an assisted resident at the time of the sanction.

SECTION 9.3: EXCLUSIONS FROM ANNUAL INCOME – pg. 47

Excluded Income 24 CFR § 5.609(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) and no actual income from the net family assets can be determined. Actual income from assets will be included.
 - AHA will not accept a family's self-certification of net family assets equal to or less than \$50,000 at annual re-examinations. Third-party verification will be required annually.
2. The following types of trust distributions:
 - a. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets
 - 1) Distributions of the principal or corpus of the trust; and
 - 2) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.
 - b. 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.
3. Earned income of children under the age of 18 years.
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 worker's 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.
9. Certain student financial assistance to students as provided below:
10. Excluded Student Financial assistance covers 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, 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
11. With respect to student financial assistance the following is excluded:
 - a. Any assistance that section 479B of the Higher Education Act of 1965 requires to be excluded from a family's income,

- b. Plus, any of the following up to the total amount of Excluded Student Financial assistance as defined above received from:
 - 1) The Federal government.
 - 2) A State, Tribal or local government.
 - 3) A private foundation registered as a nonprofit under 502(c)(3).
 - 4) A business entity (such as a 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.

Student financial assistance that is included in Annual Income includes:

- 1) 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)
 - 2) Gifts including gifts from family or friends
 - 3) Any amount of scholarship or grant that, either by itself or in combination with assistance excluded in 9.a above, exceeds the excluded Student Financial Assistance defined in 9 above.
12. 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.
13. Special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
14. Additionally excluded are:
- a. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - b. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) to allow participation in a specific program.
 - c. 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.
 - d. Incremental earnings and/or benefits resulting to any family member from participation in qualifying state or local employment training program 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 9 above.

15. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
16. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent.
17. Adoption assistance payments in excess of the amount of the deduction for a dependent.
18. Deferred periodic payments of 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. But the periodic payments from these sources are income.
19. Payments related to aid and attendance under 38 USC 1521 to veterans in need of regular aid and attendance.
20. 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.
21. 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.
22. 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).
23. 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.
24. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

The following is a list of benefits excluded by other Federal Statute:

- a. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977; 7 USC 2017 (h)

b. Payments to volunteers under the Domestic Volunteer Service Act of 1973; 42 USC 5044 (g), 5088

Examples of programs under this Act include but are not limited to:

- the Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program.
- National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs.
- Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

c. Payments received under the Alaska Native Claims Settlement Act; 43 USC.1626 (a)

d. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; 25 USC. 459e

e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; 42 USC 8624 (f)

f. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians; P. L. 94-540, 90 Stat 2503-04

g. The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims 25 USC 1407-08, or from funds held in trust for an Indian Tribe by the Secretary of Interior; and 25 USC 117b, 1407

h. Payments received from programs funded under Title V of the Older Americans Act of 1965: 42 USC 3056 (f)

— Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

i. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation.

j. Payments received under Maine Indian Claims Settlement Act of 1980; P.L. 96-420,94 Stat. 1785

k. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990; 42 USC 9858q

l. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.

m. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.

- n. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.
 - o. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.
 - p. Kinship Guardian assistance payments and other guardianship care payments.
 - q. Any amount received under the School Lunch Act and the Child Nutrition Act of 1966, including reduced price lunches and food under WIC.
 - r. Payments, funds or distributions authorized, established or directed by the Seneca Nation Settlement Act of 1990.
 - s. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency or indemnity compensation as provided by the Indian Veterans Housing Opportunity Act of 2010.
 - t. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case *Elouise Cobell et al v Ken Salazar*.
 - u. Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107–110, 42 U.S.C. 604(h)(4)).
 - v. Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013–30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a)); and
 - w. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).
25. Replacement housing “gap” payments that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another. Such 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.
26. 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:
- a. Payments from the US. 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.

- b. Direct Federal or State payments intended for economic stimulus or recovery.
 - c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.
 - d. Amount directly received by the family as a result of Federal refundable tax credits and Federal tax received the time they are received.
 - e. Gifts for holidays, birthdays or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).
 - f. Non-monetary, in-kind donations, such as food, clothing or toiletries received from a food bank or similar organization.
 - g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.
27. Civil rights settlements or judgments, including settlements of judgments for back pay.
28. Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirements 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.
29. Income earned on amounts placed in a family's Family Self Sufficiency Account.
30. 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:
- a. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regs, and
 - b. Any withdrawal of cash or assets from the operation of a business or profession will be included in income except to the extent that the withdrawal is reimbursement of case or assets.

Annual income does not include the following:

- A. ~~Income from employment of children (including foster children) under the age of 18 years;~~
- B. ~~Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);~~
- C. ~~Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses;~~
- D. ~~Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;~~
- E. ~~Income of a live-in aide;~~

- F. ~~The full amount of student financial assistance paid directly to the student or to the educational institution;~~
- G. ~~The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;~~
- H. ~~The amounts received from the following programs:~~
 - 1. ~~Amounts received under training programs funded by HUD;~~
 - 2. ~~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);~~
 - 3. ~~Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;~~
 - 4. ~~Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;~~
 - 5. ~~Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;~~
 - 6. ~~Temporary, nonrecurring or sporadic income (including gifts);~~
 - 7. ~~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;~~
 - 8. ~~Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);~~
 - 9. ~~Adoption assistance payments in excess of \$480 per adopted child;~~
 - 10. ~~For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:~~
 - a. ~~Comparable Federal, State or local law means a program providing employment training and supportive services that meet all of the following conditions:~~
 - i. ~~Is authorized by a Federal, State or local law;~~

- ~~ii. Is funded by the Federal, State or local government;~~
- ~~iii. Is operated or administered by a public agency; and~~
- ~~iv. Has as its objective to assist participants in acquiring employment skills.~~

~~b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.~~

~~c. Earnings and benefits mean the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.~~

~~12. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;~~

~~13. 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;~~

~~14. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or~~

~~15. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:~~

~~a. The value of the allotment of food stamps~~

~~b. Payments to volunteers under the Domestic Volunteer Services Act of 1973~~

~~c. Payments received under the Alaska Native Claims Settlement Act~~

~~d. Income from sub-marginal land of the U.S. that is held in trust for certain Indian tribes~~

~~e. Payments made under DHHS's Home Assistance Energy Program (HEAP)~~

~~f. Payments received under the Job Training Partnership Act/Workforce Investment Act of 1998~~

~~g. Income from the disposition of funds of the Grand River Band of Ottawa Indians~~

~~h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims~~

~~i. Amount of scholarships awarded under Title IV including Work-Study~~

~~j. Payments received under the Older Americans Act of 1965~~

~~k. Payments from Agent Orange Settlement~~

~~l. Payments received under the Maine Indian Claims Act~~

~~m. The value of child care under the Child Care and Development Block Grant Act of 1990~~

- ~~n. Earned income tax credit refund payments~~
- ~~o. Payments for living expenses under the Americorps Program~~
- ~~p. Additional income exclusions provided by and funded by Auburn Housing Authority~~
- ~~q. Payments/Benefits received from the Medicare Prescription discount card or the transitional assistance program.~~

~~Auburn Housing Authority will not provide exclusions from income in addition to those already provided for by HUD.~~

SECTION 9.4 HARDSHIP EXEMPTIONS – HOTMA RULE – pg. 53

HUD has two hardship exemption categories. The exemptions allow for more expenses to be deducted from the family's adjusted income for a limited period of time.

Category 1: Phased In Relief

This is for families already receiving a health and medical deduction (see 9.5, 5b, Form of relief, for phased in relief explanation) The new rule increases the health and medical expense deduction to the amount by which those expenses exceed 10% of the family's annual income. This is an increase from the previous threshold of 3%. Families previously receiving the deduction may see an increase in their non-deductible health and medical expenses, which could result in an increase in a family's adjusted income and rent.

After 24 months the hardship exemption expires and AHA will deduct expenses exceeding 10% of the family's annual income.

Phased In Relief does not apply to new admissions after 1/1/2025.

Category 2: General Financial Hardships.

This exemption is for families who can demonstrate a financial hardship due to an increase in their qualified expenses or because of a change that may not otherwise trigger an interim reexamination. For example, a decrease in income or a change in family composition (see 9.5, 6 for General Hardship Relief).

SECTION 9.5.: ADJUSTED INCOME - DEDUCTIONS FROM ANNUAL INCOME – pg. 53

Adjusted Income 24 CFR § 5.611

Adjusted income means annual income as determined above of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

- 1. \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index, rounded to the next lowest multiple of \$25.**
- 2. \$525 for any elderly family or disabled family, which amount will be adjusted annually in accordance with the Consumer Price Index, 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:**

- a. Unreimbursed health and medical care expenses of any elderly family or disabled family; and
 - b. 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 members who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by adult family members who are able to work because of such attendant care or auxiliary apparatus; and
4. Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education. This means that the amount of child care expenses may be deducted from the family's annual income in determining their adjusted annual income and therefore their rent. The expenses that can be deducted cannot exceed the amount of income earned by the person who is able to work due to child care.

The family must submit third-party verification of costs for child care in order to be eligible for a child care deduction.

Exemption to Continue the Child care Expense Deduction

A family whose eligibility for the child care expense deduction is ending may request a financial hardship exemption to continue the deduction.

Eligibility: The family must demonstrate that they are unable to pay their rent because of the loss of this deduction, and the child care expense is still necessary even though the family member is no longer employed or furthering education.

For example, the parent who was working due to the child care had to leave their job to care for a sick family member. In order to provide this unpaid care they continue to need child care.

Form and duration of relief:

- Up to 90 days.
- The exemption may be extended, at the PHA's discretion, for additional 90-day periods based on family circumstances.
- The PHA may terminate the hardship exemption if they determine that the family no longer needs it.

5. Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses. Phased-in relief:

- a. Eligibility for relief: To receive hardship relief the family must have received a deduction from annual income because the sum of

- 1) unreimbursed expenses for health and medical care, plus

- 2) unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

- b. Form of relief:

- 1) Beginning with the first recertification after 1/1/2025, the family will receive a deduction totaling the sum of
 - a) unreimbursed expenses for health and medical care, plus
 - b) unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work
 - 2) At the second annual recertification (12 months after the recertification in b.1) above), the family will receive a deduction totaling the sum of
 - a) unreimbursed expenses for health and medical care plus
 - b) unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work
 - c) that exceeds 7.5 percent of annual income.
 - 3) At the third annual recertification (24 months after the recertification in b.1) above) the family must receive a deduction totaling the sum of
 - a) unreimbursed expenses for health and medical care, plus
 - b) unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work
 - c) that exceed 10 percent of annual income.
5. Additional relief is available financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing financial hardship.
- a. Eligibility for relief: To receive hardship relief under this paragraph, 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 of circumstances (as defined by the PHA) that would not otherwise trigger an interim reexamination.
 - b. Relief under this paragraph is available regardless of whether
 - 1) the family previously received deductions under paragraph 5.b above,
 - 2) is currently receiving relief under paragraph 5.b above, or
 - 3) previously received relief under paragraph 5.b above.
 - c. Form and duration of relief.
 - 1) The family will receive a deduction for the sum of
 - a) unreimbursed expenses for health and medical care, plus
 - b) unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

- c) that exceeds 5 percent of annual income.
- 2) 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. However, PHAs may, at their discretion, extend the relief for one or more additional 90-day periods while the family's hardship continues.
- 3) This PHA's policy is to continue this relief until the circumstances that made the family eligible for the relief are no longer applicable.

AHA must obtain third-party verification of the family's inability to pay rent or must document in the file with reason third-party verification was not available.

~~9.4 DEDUCTIONS FROM ANNUAL INCOME~~

~~The following deductions will be made from annual income:~~

~~A. \$480 for each dependent, with the exception of foster children~~

~~B. \$400 for any elderly family or disabled family;~~

~~C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.~~

~~D. For any elderly or disabled family:~~

~~1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;~~

~~2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;~~

~~3. That has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.~~

~~E. Childcare expenses.~~

SECTION 10.1 ACCEPTABLE METHODS OF VERIFICATION pg. - 57

Per HOTMA, PHA's may determine the family's income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes using income verifications from other means-tested forms of Federal public assistance. This is referred to as Safe Harbor income determinations.

This change includes but is not limited to, income determinations from means-tested Federal programs such as: LIHTC, WIC, SSI/SSD, PA/TANF, Medicaid, SNAP, HOME and other Federal and State programs.

Safe Harbor income determinations may be accepted at admissions, annual and interim recertifications for all Section 8 HCV and PBV programs as long as they are obtained by means of third-party verification and list all family members. When a family presents multiple verifications from the same or different Safe Harbor program, AHA will only accept and only use the most recent income determination from sources.

AHA will not accept a family's self-certification of net family assets equal to or less than \$50,000 at admission, interim or annual re-examinations. AHA will require third-party verification for assets from the family.

SECTION 11.3.2 SELECTING THE CORRECT PAYMENT STANDARD FOR A FAMILY pg. – 65

E. If there's an increase in family composition, unit size or family income which results in an interim reexamination and increase in the family's rent portion, AHA may use the current-higher payment standard, if applicable.

~~E. If there is a change in family unit size resulting from a change in family size or composition, the new family unit size will be considered when determining the payment standard at the next annual reexamination.~~

SECTION 11.4 ASSISTANCE AND RENT FORMULAS pg. - 66

Minimum Rent

5. AHA must obtain third-party verification of the family's inability to pay rent or must document in the file with reason third-party verification was not available.

SECTION 11.5 UTILITY ALLOWNACE – pg. 70

AHA reviews and adjusts the utility allowance schedule annually based on average usage information provided by NYSEG.

~~AHA reviews the utility allowance schedule annually and must revise its allowance for any utility category if there has been a change of 10 % or more in the utility rate since the last time the utility allowance schedule was revised. AHA maintains information supporting the annual review of utility allowances any revisions made in its annual review of the utility allowance schedule. Participants may review this information at any time by making an appointment with the Auburn Housing Authority.~~

At each reexamination (annual, interim or unit transfer), AHA applies the utility allowance from the most current utility allowance schedule.

SECTION 11.7 DE MINIMIS ERRORS IN INCOME pg. 71

The PHA 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)

When the PHA becomes aware of the existence of an income calculation error, they are obligated to correct the error(s) retroactive to the effective date of the action the error was made regardless of the dollar amount associated with the error. The PHA must take corrective action to credit or repay a family if the family was overcharged tenant rent, including when the PHA make de minimis errors in the income determination. Families will not be required to repay the PHA in instances where the PHA has miscalculated income resulting in a family being undercharged for rent.

HUD may revise the threshold amount that constitutes a "de minimis error" through rulemaking. The PHA will not be issued a finding by HUD for de minimis errors in income calculation.

- When a de minimis errors occurs, AHA will issue a refund for the overcharged amount retroactive to the effective date that the error was made. The refund will be issued in the form of a paper check to the family with an explanation or the error.

SECTION ~~11.7~~ 11.8 CHANGE OF OWNERSHIP pg. – 72

SECTION 12.2 OWNER AND FAMILY RESPONSIBILITY pg. - 74

5. If the HAP is abated and family is forced to move because an owner/landlord doesn't make required repairs, AHA may use abated HAP to help the assisted family to locate alternative housing (moving costs, security deposit, etc.).

SECTION 13.2: ANNUAL RE-CERTIFICATIONS pg. - 87

13.2 GENERAL

The family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign consent forms that will later be mailed to the sources to verify the family circumstances.

Upon receipt of verification, the Auburn Housing Authority will determine the family's eligibility for continued occupancy, annual income and will calculate their family share.

To be eligible for continued program assistance, families must :

- a. Comply with the annual re-certification process
- b. Not have a zero HAP longer than 6 months

AHA will **not enforce** the asset limitation for assisted families at annual re-certifications.

SECTION 13.3: INTERIM REEXAMINATIONS – pg. - 88

Families are required to report all changes in family income, composition or status to AHA within 10 calendar days of the occurrence. Failure to report is a program violation and may result in termination, even if reporting would not result in a change in rent. Further, failure to report within the 10 calendar

days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly. Families are also required to report interim increases in income if they have been granted interim rent reductions or have previously reported zero income.

Under the HOTMA regulation, PHAs are not required to perform interim rent adjustments if they believe that the difference in a family’s annual income (either an increase or a decrease) will amount to a difference of less than 10 percent.

INCOME CHANGE	AHA ACTION
(1) Decrease in income for any reason, except for decrease that lasts less than 30 days, is subject to Imputed Welfare Income rules, or will decrease annual income by less than 10 percent.	Process interim rent decrease if the income decrease will last more than 30 days, is not subject to Imputed Income rules or is 10 percent or more of annual income. 24 CFR § 5.609
(2) Increase in verified family deductions	Process interim rent decrease if income decrease will last more than 30 days and reduces adjusted income by <u>10 percent or more</u> . 24 CFR § 5.609
(3) Increase in income following PHA granting interim rent decrease.	Process interim rent increase for income increases after interim rent reductions.
(4) Increase in earned income from the employment of a current household member.	Defer interim rent increase until next regular reexam <u>unless</u> the family has had an interim rent reduction in the reexam period. 24 CFR§ 960.255
(5) Increase in unearned income (e.g., COLA adjustment for social security).	Defer interim rent increase to the next regular reexam unless the increase is 10 percent or more of annual income.
(6) Increase in income because a person with income (from any source) joins the household.	Conduct an Interim Re-certification of the family’s income and raise the rent if the household composition change reduces the family’s adjusted income by more than 10 percent or more.
(7) Decrease in income because a household member has permanently moved out of the unit	Conduct an interim re-certification and reduce the rent.
(8) Increase in income because Tenant misrepresented income or deductions.	Conduct an Interim Re-certification of the family’s income and raise the rent for the next month and execute a repayment agreement for the back rent owed to the date

	of the misrepresentation or terminate the lease.
(9) Increase in monetary or non-monetary income after Resident claims zero income	Process an interim re-certification and increase the rent.

AHA will not perform an interim recertification if the difference in a family's annual income (either an increase or a decrease) amounts to a difference of less than 10 percent. Calculated percentage decreases up or down will be rounded to the nearest unit (e.g. a calculated decrease of 9.5% will be rounded up to 10%).

HOTMA Rule encourages families to improve their economic circumstances, so some changes in family income between reexaminations will not result in a rent change. AHA will process interim changes in rent in accordance with the chart below:

Families are required and agree to report the following changes to Auburn Housing Authority between regular reexaminations. These changes will may trigger an interim reexamination. The family shall report these changes within ten (10) days of their occurrence.

- ~~C. Employment, unemployment or changes in employment of a permanent nature of the family head, spouse, or other wage earner eighteen years of age or older.~~
- ~~D. The starting or stopping of any benefits or payments received by any member of the family or household from Social Security, Social Security Supplemental Income, Social Security Disability Income, TANF, Black Lung, Railroad Retirement, Private Pension Fund, Disability Compensation, Veterans Administration, Child Support, Alimony, Regular Contributions or Gifts. Lump sum payments or retroactive payments of benefits from any of the above sources (except Social Security benefits and Supplemental Security Income) which constitute the sum of monthly payments for a preceding period paid in a lump sum must be reported and the rent adjusted retroactively on such income to date of eligibility for any family member residing in the household for that period of time. Lump sum payments caused by delays in processing periodic payments (i.e., unemployment or welfare assistance benefits) are included as income.~~
- ~~E. Cost of Living increase in Social Security need not be reported until the next annual re-examination.~~
- ~~F. Errors of omission made at admission or re-examination will be corrected by the Auburn Housing Authority~~
- ~~G. A tenant who has an income reduction or increase after initial occupancy or after annual re-examination must report all challenges of income within ten (10) calendar days regardless of the amount or source. No rent increase will occur unless the increase exceeds \$2400.00 annually. (\$200.00 monthly). Reductions will be implemented. (See section 15.8)~~

~~Families are not required to, but may at any time, request an interim re-examination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, Auburn Housing Authority will take timely action to process the interim re-examination and recalculate the tenant's rent.~~

AHA will **not enforce** the asset limitation for all families at interim re-certifications.

SECTION 20.0 AUBURN HOUSING AUTHORITY *MANAGED OR OWNED HOUSING* pg. - 112

Units **managed or** owned by the Auburn Housing Authority and not receiving subsidy under any other program are eligible housing units for Housing Choice Voucher holders. In order to comply with Federal regulation, the Auburn Housing Authority will do the following:

- A. The Auburn Housing Authority will make available through the briefing process both orally and in writing the availability of Auburn Housing Authority **managed or** owned units (notification will also include other properties owned/managed by the private sector available to Housing Choice Voucher holders).

DEFINITIONS OF TERMS – Page 116

Adjusted Annual Income: The amount of household income, used to determine rent and initial eligibility, as well as eligibility for continued occupancy.

Annual Income 24 CFR § 5.609(a):

Annual income includes, with respect to the family:

- A. All amounts not specifically excluded in the list of excluded income below, 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

- B. When the value of net family assets exceeds \$50,000 (which amount HUD will adjust in accordance with the Consumer Price Index) 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.

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.

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, SSI, and governmental subsidies for certain benefits) or any cash or in-kind benefits. 24 CFR § 5.100

Family includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status: 24 CFR §§ 5.403

A single person, who may be 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 (42 USC 674(5)(H)), and is homeless or is at risk of becoming homeless at age 18 or older; or

A group of persons residing together, and such group includes but is not limited to:

A family with or without children (a child who is temporarily away from 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 and

The remaining member of a tenant family.

Foster Adult: A member of the household (but not the family) who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgement decree, or other order of any court of competent jurisdiction.

Foster Child: a member of the household (but not the family) 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.

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.

Home you Could Live in: a home you have the right to sell, that is not owned jointly with a person who is not a member of the applicant/tenant/voucher holder family, that is not unsuitable for the disabilities of any family member, that is not in such substandard condition that it is uninhabitable, or that is not located in a place that is too distant to make commuting to work infeasible.

Independent contractor: An individual who qualifies as an independent contractor instead of an employee in accordance with the IRS 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

Medical Expense Allowance: For purposes of calculating adjusted income for elderly or disabled families only, medical expenses mean the medical expense not compensated for or covered by insurance in excess of 10% of Annual Income. 24 CFR § 5.603

Minor: A member of the family, other than the head or spouse, who is under 18 years of age.

National Standard for the Physical Inspection of Real Estate (NSPIRE): Effective October 1, 2024, NSPIRE replaced the Housing Quality Standards (HQS) as the inspection protocol used by all Section 8 Housing Choice Voucher (HCV) programs, other HUD housing programs and affordable housing programs. This physical inspection model prioritizes promoting HUD's goal of reducing health and safety hazards in the home.

Net Family Assets:

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 capital investment. 24 CFR § 5.603

In determining net family assets PHAs or owners 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 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 an owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Excluded from the calculation of net family assets are:

The value of necessary items of personal property

The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which will be adjusted by HUD in accordance with the Consumer Price Index)

The value of any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements, employer retirement plans (pensions), and retirement plans for self-employed individuals.

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.

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.

The value of any Coverdell education savings account under section 530 of the IRS code, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account under Section 629A of such Code, and the value of any “baby bond account created, authorized or funded by Federal, State or local government.

Interests in Indian trust land

Equity in a manufactured home where the family receives assistance under the Housing Choice Voucher program.

Family Self Sufficiency accounts.

Federal tax refunds or refundable tax credits for a period of 12 months after the receipt by the family.

An irrevocable trust.

*AHA will **not enforce** the asset limitation for all families at annual or interim re-certifications.

Real property: as used in this part has the same meaning as that provided under the law of the State in which the property is located. 24 CFR § 5.100

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.

Unearned income: means any annual income, as calculated under § 5.609 that is not earned income.

Housing quality standards (HQS): The HUD minimum quality standards for housing assisted under the Section 8 program.