

| <i>Discretionary Policy Decisions under HOTMA – Item 1 of 12</i> | |
|---|--|
| Subject Matter and Where the Regulation is Found | <p>Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (adjusted annually for inflation)</p> <p>Regulatory Reference: 24 CFR §§ 5.603; 5.609; 5.618; 882.515(a); 882.808(i)(1); 960.259(c)(2); 982.516(a)(3)</p> |
| HOTMA Requirement and Background | Public Housing Agencies (PHAs) must determine if the family’s total net family assets are equal to or less than \$50,000 and must determine the actual income earned from the asset(s). |
| Discretionary Policy Options | <p>PHAs may 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 without taking additional steps to verify accuracy, at admission and at reexamination.</p> <p>PHAs that choose not to accept a family’s self-certification must verify a family’s net assets.</p> |
| Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft | <p><i>Proposed Decision: SRHA will accept a family’s self-certification of net family assets equal to or less than \$50,000.</i></p> <p>Proposed Policy: For families with net assets totaling \$50,000 or less, the PHA will accept the family’s self-certification of the value of family assets and anticipated asset income. The family’s declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family’s declaration.</p> <p>The PHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family’s annual income. The family will be required to provide third-party verification of net family assets every three years.</p> <p>When verification is required, in determining the value of checking or savings accounts, the PHA will use the current balance.</p> <p>In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the PHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.</p> <p>Administrative Plan Reference: Chapter 7, Section III.F</p> |

Discretionary Policy Decisions under HOTMA – Item 2 of 12

| | |
|--|---|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – General Relief</p> <p>Regulatory Reference: 24 CFR § 5.611(c)(2)</p> |
| <p>HOTMA Requirement and Background</p> | <p>Under HOTMA, the threshold to deduct health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses has been increased from an excess of 3 to an excess of 10 percent of annual income.</p> <p>Concurrently with this increase, the regulations provide financial hardship exemptions for unreimbursed health and medical care expenses, and for reasonable attendant care and auxiliary apparatus expenses for eligible families. A family will benefit from this hardship exemption only if the family has eligible expenses that can be deducted in excess of 5 percent of annual income.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs must develop written policies in their ACOPs or Admin Plans defining what constitutes a hardship for the purposes of the general relief hardship exemption for health and medical care expenses and reasonable attendant care & auxiliary apparatus expenses.</p> <p>PHAs may, pursuant to their own discretionary policy, extend the hardship relief for one or more additional 90-day periods while the family’s hardship condition continues.</p> <p>PHAs must state whether they will allow extensions of the 90-day hardship period and the maximum number of 90-day extension periods (if establishing a maximum policy) that a family may receive. Note: PHAs are not limited by HUD to a maximum number of 90-day extensions. PHAs must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship period.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will require that a documentable increase in medical and/or disability expenses exists, and that the family’s financial hardship is the result of a documentable decrease in income or increase in actual expenses. The family may request one 90-day extension and additional extensions will be considered on a case-by-case basis.</i></p> <p><i>Proposed Policy:</i> To qualify for a hardship exemption, a family must submit a request in writing.</p> <p>The request must show that the family’s health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family’s financial hardship is a result of a change in</p> |

circumstances. The PHA defines a change in circumstances as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim reexam in accordance with PHA policies.

Examples of circumstances constituting a financial hardship may include the following situations: The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits; The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or other circumstances as determined by the PHA.

The family must provide third-party verification of the hardship with the request. If third party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.

Administrative Plan Reference: Chapter 6, Section 6-III.G

Discretionary Policy Decisions under HOTMA – Item 3 of 12

| | |
|--|--|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – Phased-In Relief</p> <p>Regulatory Reference: 24 CFR § 5.611(c)(1)</p> |
| <p>HOTMA Requirement and Background</p> | <p>All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first on or after the date the PHA complies with HOTMA.</p> <p>Families who receive phased-in relief will have eligible expenses deducted as follows:</p> <ul style="list-style-type: none"> • First twelve months – in excess of 5% of annual income • Second twelve months – in excess of 7.5% of annual income • After 24 months – in excess of 10% threshold will phase in and remain in effect unless the family qualifies for General Hardship relief <p>Prior to the end of the 24-month period, the family may request a hardship exemption under the General Relief category. Once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.</p> <p>PHAs must track the 24-month phase-in period for each eligible family. If a family moves from Public Housing to the Housing Choice Voucher (HCV) program, unless the PHA has a written policy to continue the phased in relief upon admission to the HCV program, the family’s expense deduction will be calculated using the 10 percent threshold.</p> |
| <p>Discretionary Policy Options</p> | <p>The PHA may choose to continue the phased-in relief for families moving from Public Housing to the HCV program. If PHAs elect to continue the phased-in relief, they must obtain the Public Housing program documentation of the beginning of the phase-in period.</p> <p>PHAs may choose not to continue the phased-in relief for families moving to the HCV program from Public Housing. These families may request General Relief.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will not continue phased-in relief for families moving from Public Housing to HCV.</i></p> <p>Proposed Policy: The PHA will not continue the phased-in relief for families who move from public housing to HCV. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.</p> <p>Administrative Plan Reference: Chapter 6, Section 6-III.G</p> |

Discretionary Policy Decisions under HOTMA – Item 4 of 12

| | |
|--|---|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Hardship Exemption to Continue Child Care Expense Deduction</p> <p>Regulatory Reference: 24 CFR § 5.611(d)</p> |
| <p>HOTMA Requirement and Background</p> | <p>A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue receiving the deduction.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs must develop written policies to define what constitutes a hardship, which includes the family’s inability to pay rent, for the purposes of the childcare expense hardship exemption.</p> <p>PHAs may, pursuant to their own discretionary policy, extend the relief for one or more additional 90-day periods while the family’s hardship condition continues.</p> <p>PHAs must include in their Admin Plans whether they will allow extensions of the 90-day hardship period and the maximum number of 90-day extension periods (if establishing a maximum policy) that a family may receive. PHAs are not limited by HUD to a maximum number of 90-day extensions.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will require evidence that the inability to pay rent is a result of the childcare deduction ending. The family may request one 90-day extension and additional extensions will be considered on a case-by-case basis.</i></p> <p><i>Proposed Policy:</i> For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PHA defines this hardship as a potential decrease in income or increase in other expenses that would result from the loss of the childcare expense and such loss would impact the family’s ability to pay their rent.</p> <p>Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (childcare expenses or health and medical expenses) are more than 40 percent of the family’s adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent.</p> <p>The family must also demonstrate that the childcare expense is still necessary even though the family member is no longer employed or furthering their education. The PHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town).</p> <p>The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period.</p> <p>Administrative Plan Reference: Chapter 6, Section 6-III.G</p> |

Discretionary Policy Decisions under HOTMA – Item 5 of 12

| | |
|---|--|
| Subject Matter and Where the Regulation is Found | <p>Additional (Permissive) Deductions from Annual Income</p> <p>Regulatory Reference: 24 CFR § 5.611(b)(1)</p> |
| HOTMA Requirement and Background | <p>The PHA may adopt additional permissive deductions from annual income if they establish a policy in the administrative plan. Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].</p> <p>A PHA that adopts such deductions must have sufficient funding to cover the increased housing assistance payment cost of the deductions. A PHA will not be eligible for an increase in HCV renewal funding for subsidy costs resulting from such deductions.</p> |
| Discretionary Policy Options | <p>The PHA may choose not to adopt any permissive deductions from annual income.</p> <p>If the PHA chooses to adopt permissive deductions, they must be identified in the Administrative Plan.</p> |
| Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft | <p><i>Proposed Decision: The PHA will adopt a permissive deduction for families participating in guaranteed income programs.</i></p> <p><i>Proposed Policy:</i> Pursuant to 24 CFR § 5.611(b), the PHA will deduct from annual income the amounts received, whether recurring or sporadic, provided to families participating in recognized research programs, included but not limited to:</p> <ul style="list-style-type: none"> - Guaranteed income programs whose amounts are excluded by California State Welfare and Institutions Code 18997(c)(1); or - Other social science research programs conducted by or overseen by recognized research institutions where the purpose of the research is related to self-sufficiency, economic mobility or other economic purpose. <p>The PHA will require documentation from the research organization verifying the amount of income to be received by the family, the duration of time the family is expected to receive the income, and verification that the income received is for a research-driven purpose.</p> <p>If at any time the PHA determines that the income is continuing to be received without a research purpose, or if the family does not provide the necessary documentation to verify the research purpose, the deduction will stop and the amounts will be included in the household income.</p> <p>Administrative Plan Reference: Chapter 6, Section 6-III.H</p> |

Discretionary Policy Decisions under HOTMA – Item 6 of 12

| | |
|---|---|
| Subject Matter and Where the Regulation is Found | De Minimis Errors in Income Determinations Regulatory Reference: 24 CFR §§ 5.609(c)(4); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5) |
| HOTMA Requirement and Background | The concept of “de minimis errors” is introduced under HOTMA to ensure that PHAs will not be considered out of compliance with regulations solely due to errors in calculating family income that are a deviation from the correct income of \$30 or less per month. However, the PHA must correct the error retroactive to the date of the action the error was made, regardless of the dollar amount of the error. Families may not be required to repay the PHA or owner instances where the PHA miscalculated income resulting in a family being undercharged for rent. |
| Discretionary Policy Options | PHAs must include in their Admin Plans how they will repay or credit a family the amount that the family was overcharged. The PHA may elect to pay the owner the additional amount retroactively or reimburse the family directly. |
| Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft | <i>Decision: SRHA will reimburse families directly when a PHA-caused de minimis error resulted in an overpayment of family rent.</i> <i>Policy:</i> The PHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error, staff program abuse, or a de minimis error. Administrative Plan Reference: Chapter 14, Section 14-II.D. |

Discretionary Policy Decisions under HOTMA – Item 7 of 12

| | |
|--|--|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Interim Reexaminations - Decreases in Adjusted Income</p> <p>Regulatory Reference: 24 CFR §§ 960.257(b)(2); 982.516(c)(2); 882.515(b)(2); 891.410</p> |
| <p>HOTMA Requirement and Background</p> | <p>PHAs are required to process interim reexaminations for all decreases in adjusted income when a family member permanently moves out of the unit.</p> <p>PHAs are not permitted to establish a dollar figure threshold amount instead of a percentage threshold less than ten percent.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs may decline to conduct an interim reexamination of family income if the PHA estimates that the family’s annual adjusted income will decrease by an amount that is less than ten percent of the family’s annual adjusted income, or such lower threshold established by the PHA.</p> <p>PHAs must identify in their Admin Plans the percentage threshold they will use for conducting interim reexamination for decreases in a family’s adjusted income.</p> <p>PHAs may establish policies to round calculated percentage decreases up or down to the nearest unit (e.g., a calculated decrease of 9.5% may be rounded up to 10%).</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will not conduct interim reexaminations for decreases in income that are less than 10 percent of the family’s adjusted annual income.</i></p> <p><i>Proposed Policy:</i> Generally, the PHA will only conduct an interim when the family’s adjusted income has decreased by an amount that is 10 percent or more of the family’s adjusted income. When determining the 10 percent threshold, the PHA will round calculated percentages up or down to the next nearest unit as applicable (e.g., a calculated decrease of 9.5 percent will be rounded to 10 percent). However, the PHA will perform an interim reexamination for a decrease in adjusted income of any amount in two circumstances:</p> <ul style="list-style-type: none"> • When there is a decrease in family size attributed to the death of a family member; or • When a family member permanently moves out of the assisted unit during the period since the family’s last reexamination. <p>Administrative Plan Reference: Chapter 11, Section 11-II.C.</p> |

Discretionary Policy Decisions under HOTMA – Item 8 of 12

| | |
|--|---|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Interim Reexaminations - Increases in Adjusted Income Regulation: 24 CFR §§ 960.257(b)(3); 982.516(c)(3); 882.515(b)(3)</p> |
| <p>HOTMA Requirement and Background</p> | <p>PHAs must conduct an interim reexamination of family income when they become aware that the family’s annual adjusted income has changed by an amount that would result in an estimated increase of ten percent or more in annual adjusted income or another amount established through a HUD notice, except PHAs may not consider any increases in earned income when estimating or calculating whether the family’s adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle.</p> <p>PHAs may not establish a different threshold to conduct interim reexaminations for increases in adjusted income.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs may choose not to conduct an interim reexamination if a family reports an increase in income within three months of their next annual reexamination effective date.</p> <p>PHAs may choose not to include earned income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination.</p> <p>PHAs must describe these policies in their Admin Plans.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: Where permitted, SRHA will not conduct interim reexaminations for increases in earned income and will not perform interim reexaminations within three months of the family’s annual reexamination date.</i></p> <p><i>Proposed Policy:</i> When a family reports an increase in their earned income between annual reexaminations, the PHA will not conduct an interim reexamination, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family’s last annual reexamination.</p> <p>The PHA will process an interim reexamination for any increases in unearned income of 10 percent or more in adjusted income.</p> <p>The PHA will not perform an interim reexamination when a family reports an increase in income (whether earned or unearned income) within three months of their annual reexamination effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases in accordance with the PHA policies in Chapter 14.</p> <p>Administrative Plan Reference: Chapter 11, Section 11.II.C</p> |

Discretionary Policy Decisions under HOTMA – Item 9 of 12

| | |
|--|--|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Interim Reexaminations – Reporting Changes and Effective Dates</p> <p>Regulatory Reference: 24 CFR 960.257(b)(4); 982.516(d); 882.515(b)(1) - (4); 882.808(i)(4); 891.410)</p> |
| <p>HOTMA Requirement and Background</p> | <p>Families must report household composition changes and changes to adjusted income consistent with HOTMA requirements; however, PHAs determine the timeframe in which reporting must occur to be considered “timely.”</p> <p>For the most part, the regulations govern requirements for the result of interim reexaminations, however, there is discretion when a family fails to report a change that would result in a rent decrease. The PHA may apply rent decreases either to the first of the month following the change or retroactively. The PHA may choose to adopt a policy that would make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income, as opposed to the first of the month following completion of the reexamination.</p> <p>The PHA must clearly communicate to the family and owner, if applicable, how a retroactive adjustment will affect the family’s responsibility for rent.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs must develop policies that describe when and under what conditions families must report changes in household composition and adjusted income consistent with HUD’s requirements for processing an interim reexamination or other noninterim reexamination transaction.</p> <p>PHAs have the discretion to develop specific reporting policies that describe which changes must be reported and the timeline for reporting the change to be considered timely.</p> <p>PHAs may adopt a policy to apply rent decreases retroactively and establish additional criteria to describe the conditions under which retroactive decreases will be applied, e.g., extenuating circumstances that may inhibit timely reporting.</p> <p>PHAs must describe these policies in their Administrative Plan.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will require families to report all income and family composition changes in writing within 10 days of the change taking effect. If the change is not reported timely and results in a rent decrease, the decrease will not be applied retroactively.</i></p> <p><i>Proposed Policy:</i> The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PHA of changes either orally or in writing. If the family provides oral notice, the PHA may also require the family to submit the changes in writing.</p> |

Within 10 business days of the family reporting the change, the PHA will determine whether the change will require an interim reexamination.

- If the change will not result in an interim reexamination, the PHA will note the information in the tenant file but will not conduct an interim reexamination. The PHA will send the family written notification within 10 business days of making this determination informing the family that the PHA will not conduct an interim reexamination.
- If the change will result in an interim reexamination, the PHA will determine the documentation the family will be required to submit based on the type of change reported and PHA policies in Chapter 7. The PHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, email, fax, or in person. The PHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.

When the family fails to report a change in income or family composition timely, and the change would lead to a rent decrease, the PHA will apply the decrease the first of the month following completion of the interim reexamination.

Administrative Plan Reference: Chapter 11, Section 11-II.C and Section 11-II.D

Discretionary Policy Decisions under HOTMA – Item 10 of 12

| | |
|--|---|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Revocation of Consent Form (Form HUD9886)</p> <p>Regulatory Reference: 24 CFR §§ 5.230(c)(5)(iii) and 24 CFR 5.232(c)</p> |
| <p>HOTMA Requirement and Background</p> | <p>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>An 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.</p> <p>Families have the right to revoke consent by notice to the PHA; however, revoking consent can result in termination or denial of assistance if the PHA has established an admission and occupancy policy that the revocation of consent will result in termination of assistance or denial of admission.</p> <p>PHAs may not process interim or annual reexaminations of income, including when a family’s income decreases and the family requests an interim reexamination to decrease tenant rent, without the family’s executed consent form(s).</p> <p>PHAs must explain to families the consequences, if any, of revoking their consent.</p> <p>PHAs must notify their local HUD office when an applicant or participant family member revokes their consent.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs may establish in written policy that revocation of consent will result in termination of assistance or denial of admission.</p> <p>When PHAs do not establish a policy such that revoking consent will result in termination of assistance, participant families will be required to sign a new consent form by the next regularly scheduled reexamination or interim reexamination, whichever occurs first.</p> <p>PHAs may establish policies to deny admission but allow existing participant families to continue to receive assistance after revoking their consent until the next interim or annual reexamination, whichever is sooner.</p> |
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will deny assistance to applicant families who have revoked consent. SRHA will terminate participating families who revoke consent and not allow participation until the next interim or annual reexam.</i></p> <p><i>Proposed Policy:</i> The PHA has established a policy that revocation of consent to access financial records will result in denial of admission.</p> <p>In order for a family to revoke their consent, the family must provide written notice to the PHA.</p> |

| | |
|--|--|
| | <p>Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify their local HUD office.</p> |
|--|--|

| | |
|--|---|
| | <p>Administrative Plan References: Chapter 3, Section 3-II.D and Chapter 7, Section 7-I.A</p> |
|--|---|

Discretionary Policy Decisions under HOTMA – Item 11 of 12

| | |
|---|--|
| <p>Subject Matter and Where the Regulation is Found</p> | <p>Determination of Family Income Using Other Means Tested Public Assistance, i.e., “Safe Harbor”</p> <p>Regulatory Reference: 24 CFR §§ 5.609(c)(3) and 891.105</p> |
| <p>HOTMA Requirement and Background</p> | <p>PHAs 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 of the following means-tested forms of Federal public assistance:</p> <ul style="list-style-type: none"> • The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.) • Medicaid (42 U.S.C. 1396 et seq.) • The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.) • The Earned Income Tax Credit (26 U.S.C. 32) • The Low-Income Housing Tax Credit (26 U.S.C. 42) • The Special Supplemental Nutrition for Woman, Infants, and Children (42 U.S.C. 1786) • Other programs administered by the Secretary • Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding • Other Federal benefit determinations made by other means-tested Federal programs that the Secretary determines to have comparable reliability and announces through a Federal Register notice. <p>PHAs are not required to accept or use determinations of income from other Federal means-tested forms of assistance.</p> <p>Safe Harbor verification must be obtained by means of third-party verification and must state the family size, must be for the entire family (i.e., the family members listed in the documenting must match the family’s composition in the assisted unit, except for household members) and must state the amount of the family’s annual income.</p> |
| <p>Discretionary Policy Options</p> | <p>PHAs that choose to implement Safe Harbor income determinations must:</p> <ul style="list-style-type: none"> • Establish in policy when they will accept Safe Harbor income determinations (e.g., at reexamination only or at admission and reexamination), including which programs from which they will accept income determinations; and • Create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., PHAs could establish policies to accept the most recent income determination). <p>PHAs must include in their Administrative Plans whether they will accept Safe Harbor income determinations, along with the accompanying policies described above, if applicable.</p> |

| | |
|--|--|
| <p>Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft</p> | <p><i>Proposed Decision: SRHA will not accept Safe Harbor income determinations.</i></p> <p><i>Proposed Policy:</i> The PHA will not accept verification from other deferral assistance programs. With the exception of when the PHA uses streamlined income determinations described in Chapter 7, all income will be verified in accordance with the requirements of HUD’s verification hierarchy and PHA policies in Chapter 7 – Verifications.</p> <p>Administrative Plan Reference: Chapter 7, Section 7-I.B</p> |
|--|--|

Discretionary Policy Decisions under HOTMA – Item 12 of 12

| | |
|---|---|
| Subject Matter and Where the Regulation is Found | Enterprise Income Verification (EIV) Usage Regulatory Reference: 24 CFR § 5.233 |
| HOTMA Requirement and Background | PHAs must use HUD’s EIV system in its entirety, in accordance with 24 CFR 5.233. PHAs must update their EIV policies and procedures to reflect their discretionary use of EIV reports (e.g., Income Report, zero income reports, New Hires Report, IVT) under HOTMA. |
| Discretionary Policy Options | PHAs are not required to use EIV during interim reexaminations. PHAs who adopt local policies to not include earned income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination, are not required to use the EIV New Hires report between annual reexaminations. PHAs who have a policy to consider earned income increases in calculating whether the 10% threshold has been met for an interim reexamination are required to review the EIV New Hires report at least quarterly, for the remainder of the reexamination period after the interim reexamination to decrease rent occurs. |
| Proposed City of Santa Rosa Housing Authority (SRHA) Policy Decision and Where the Policy is Found in the Administrative Plan Draft | <p><i>Proposed Decision: SRHA will only use EIV for interim reexaminations as necessary. SRHA will review the New Hires Report at a family’s annual reexamination.</i></p> <p><i>Proposed Policy:</i> The PHA will obtain EIV income and IVT reports on a monthly basis for families with annual reexaminations due as part of the annual reexamination process. The PHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the annual reexamination.</p> <p>Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.</p> <p>Income and IVT reports will be retained in participant files with the applicable annual documents or interim reexamination documents (if applicable) for three years from the effective date of the annual or interim reexamination.</p> <p>When the PHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.</p> <p>In accordance with PHA policies in Chapter 11, the PHA does not process interim reexaminations for families who have increases in earned income. Except for instances in which the PHA uses Safe Harbor income determinations to determine a family’s annual income, the PHA will only review the New Hires Report at annual reexamination.</p> <p>Administrative Plan Reference: Chapter 7, Section 7-I.E.</p> |