IV. DETERMINATION OF INCOME, TOTAL TENANT PAYMENT AND FAMILY SHARE

The CDC will not devise or implement income or rent determination, verification, or other related policies or procedures in a way that discriminates against persons on the basis of race, color, national origin, sex, religion, familial status, and perceived or actual disability.

A. ANNUAL INCOME

Income includes all monetary amounts received on behalf of the family. For the purpose of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income not specifically excluded in the regulations is income.

Annual Income is used to determine whether the family is within the Income Limits. Annual income is the gross anticipated amounts, monetary or not, that go to, or on behalf of, the family (including temporarily absent head, spouse or co-head), and are received from a source outside the family within the twelve (12) months following certification. All income that is not specifically excluded in the HUD regulations is counted.

Adjusted Income is the Annual Income minus HUD allowable expenses and deductions.

Both Annual and Adjusted Income are used to calculate the amount of the subsidy for Vouchers. In calculating Annual and Adjusted Income, the CDC must include the income of every member of the household, including those who are temporarily absent. Income of persons who are permanently absent from the household will not be counted.

Income is defined by HUD regulations and is further interpreted in HUD Notices and Memos that must be followed. However, there are policy decisions that are needed in order to assure consistent interpretation of HUD regulations.

The CDC is required to verify family income, family composition and characteristics, value of assets, and other factors relating to eligibility determinations both before an applicant is issued assistance and annually.

The CDC may use several methods to verify income and income deductions. Up-front and third-party (independent) verifications will be obtained by the CDC either electronically or sent by mail to the appropriate agency. To qualify as third-party verification the document(s) must never touch the applicant or tenant's hands.

If third-party written verification is not possible, the CDC may use third-party oral verification. If third-party verification is not possible, the Review of Documents method of verification may be used. And if that method is not possible, the CDC may accept self-declaration. When any form of verification other than third-party written is not used, the CDC must document the file with the reason that another form of verification was used.

B. INCOME INCLUSIONS

1. Income of Temporarily Absent Household Members

   In accordance with HUD regulations, the income of the temporarily absent spouse of the head of household will be included in total family income. The CDC will consider an absence anticipated to last less than three (3) months to be "temporary" unless the head of household can provide verification that the household member is permanently absent.

   In calculating Annual and Adjusted Income, the CDC must estimate the income of every member of the household, including those who are temporarily absent. Income of persons who are permanently absent from the household will not be counted. Families must report in writing to the CDC any absence from the household of more than ten (10) calendar days and shall report their absence to the owner/landlord, consistent with the lease provisions. Any changes in family composition must be reported in writing to the CDC within ten (10) calendar days of the change in family composition. Families will be counseled at briefing sessions and re-certification on the effect family composition may have in determining Voucher size and Total Tenant Payment as well as the CDC's policies for dealing with such changes. At times, situations may arise that result in the temporary or permanent absence of a family member or members from the household. Such situations will be handled in the following manner:

   a. <u>Absence of children for foster care</u>. In instances in which the children have been removed from the home by a social service agency, the agency will be contacted to determine the approximate length of time the children are expected to be away from the home.
      (1) If the agency indicates that the children are expected to return to the home at some point, the children will remain a part of the family composition and will be counted toward the

family's subsidy standard, but will not be counted as dependents until they return to the home.

(2) If the children are not ever expected to be returned to the home, the children will be removed from the family composition and the family's subsidy standard will be reduced accordingly.

(1) If the agency indicates that it is unknown whether the children will be returned to the home, the children will remain a part of the family composition.

Oral conversations with the social service agency must be thoroughly documented in the family file, including the date of contact, name and title of contact person, name of agency, and telephone number and the details of the conversation.

b. Absence of single parent; use of caretaker adult. When a single parent leaves the household for an extended period as a result of imprisonment, hospitalization, military service, etc., and another adult moves into the home to care for the children, the rental assistance will not be terminated. The family composition will be modified to include the name of the caretaker as head of household. The caretaker's income may not be included in the family income, depending on whether or not the caretaker is considered to be a part of an assisted household for purposes of welfare assistance or other benefit programs. The single parent's name may be removed and the new caretaker listed as the head of the household or, in the alternative as a co-head. The file will be documented to explain the circumstances. When the parent returns to the unit, the family will report the anticipated change in household and provide documentation to CDC as to whether or not the caretaker will leave or remain in the household. In addition, the caretaker will be responsible for obtaining the owner's/landlord's approval.

c. Absence of head of household, spouse or co-head due to military service or school. If the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the income will be included in the calculation of family income. However, income received as a result of special hazardous duty pay when exposed to hostile fire will not be included.

b. Absence of other family member due to military service or school. If a family member other than the head of household, spouse or co-head is absent from the home to serve in the military or attend school, the family has the option of considering the person permanently absent (income not counted, not on lease, and not counted for Voucher size) or temporarily absent (income counted, on lease, counted for Voucher size). For those family members in military service, the income received as a result of imminent danger pay when exposed to hostile fire will not be included.

c. <u>Absence due to hospitalization of sole family member</u>. When the family consists of only one member and that person leaves the home to go into a hospital or nursing home for a period of more than six (6) months, the assistance will be terminated. If a medical source documents that the person is expected to return to the unit in 180 days or less, the person shall continue to receive assistance. If the person is not back in the unit within 180 days, assistance will be terminated.

d. <u>Absence of All Household Members</u>. If all members of the household are absent for 30 cumulative days, but have not moved from the unit, assistance will be terminated. In order to determine if the family is absent from the unit, the CDC may write letters to the family at the unit, telephone the family at the unit, interview the owner/landlord and neighbors, and/or verify if utilities are in service. In cases in which the family has moved from the unit, assistance will be terminated in accordance with the procedures set forth further in this Plan.

e. <u>Adult visitors</u>. An adult may visit a unit for no more than ten (10) calendar days per year. The CDC must approve adults exceeding this limit before being considered a family member and added to the lease.

f. <u>Child visitors</u>. Children under the age of eighteen (18) may visit a unit for a maximum of thirty (30) cumulative days per year without being considered part of the family, provided the family has the written permission of the owner/landlord. In cases where the children under the age of eighteen (18) are visiting for summer break, the head of household will be responsible for providing CDC documentation to that effect. In those instances the children will not be considered part of the household.

g. <u>Joint Custody of Children</u>. Children who are subject to a joint custody agreement but live in the unit at least fifty-one percent (51%) of the time will be considered members of the household. If the family includes a child who is temporarily absent from the home due to foster care, the standards in paragraph number 8 above will be used.

2. Earned Income

Earnings anticipated to be received in the twelve (12) months following the effective date of the certification would be annualized. To annualize income, the CDC will multiply:

- Hourly income by the number of hours worked in a year;
- Weekly income by 52 weeks, unless it is verified that less weeks will be worked;

- Bi-weekly income by 26 pay-periods;
- Semi-monthly by 24 pay-periods; and
- Monthly by 12 pay-periods.

Where income is seasonal or fluctuates as to hours or rates, such as for teachers, construction workers, farmers or migrant workers, the CDC will use an average for twelve (12) months based on past income history of the family and such anticipated income that can be verified.

3. Temporary or Sporadic Income

Temporary or sporadic income is not counted in determination of annual income. Employment lasting less than 30 days will be considered temporary. Sporadic income includes amounts that are neither reliable nor periodic.

4. Cyclical or Seasonal Work

When income varies due to cyclical or seasonal work, and the source of income has not changed from the previous year, the CDC may rely on the previous year’s income to anticipate income for the coming year. Increases in pay rate over that of the previous year would be considered.

When anticipated income cannot be determined for a full twelve (12)-month period, the CDC will annualize current income and conduct an interim reexamination when income changes.

5. Net Income from Business or from Self-Employment

The net income from the operation of a business or self-employment is counted as income. Net income is the amount of business income received less expenses incurred. Deductions from business income can include business vehicle expenses, supplies and materials, staff salary and benefits, depreciation of assets. Any withdrawals of cash from the business will be considered income unless the withdrawal is reimbursements of cash or assets invested in the operation by the family. Expenditures for expansion or amortization of capital indebtedness are not used as deductions from income.

Business expansion includes substantially increasing the size of the business or branching out into adjacent areas that are not part of the original operation. Straight-line depreciation of assets is an allowable expense and can be verified through examination of the income tax forms filed for the business or financial statements. Similarly, the accounting records and financial statements can be used to determine the cash or assets invested in the business. This information can be used to determine whether or not a withdrawal is a reimbursement of investments in the business. If a business is co-owned by someone outside the household, financial statements and income tax returns can provide information to determine the level of net income to be attributed to the family from part ownership of the business.

6. Regular Contributions and Gifts

Regular contributions and gifts received from persons outside the household are counted as income for Tenant Rent calculation purposes. This includes rent and utility payments paid on behalf of the family and other cash or non-cash contributions provided on a regular basis. <u>It does not include casual contributions, food from the food bank or other charitable organizations, or sporadic gifts.</u>

For zero income families), the CDC may interview the tenant and review his or her current bills and receipts every ninety (90) days to determine the amounts paid for known household expenses and the sources of regular income, including in-kind contributions. This will be determined via a zero income questionnaire.

Third-party verification of income from regular contributions and gifts will be obtained whenever possible. If the party providing regular contributions refused to verify the information, the CDC will document the file. In this case, the head of household or member receiving the income will be asked to complete a Declaration of Regular Contributions.

. 7. Financial Assistance to Single Eligible Student of Higher Education

Financial assistance included in annual income is any financial assistance that a student receives in excess of tuition (e.g., athletic and academic scholarships) and that the student receives (1) under the Higher Education Act, (2) from private sources (3) from an institution of higher education as defined by the Higher Education Act of 1965.

Treatment of financial assistance received by an eligible student of higher education is included as follows:

Eligible single student, age 23 or younger, not a veteran, no dependent child (meets requirements of 24 CFR 5.612), the CDC shall count as income all financial assistance in excess of tuition (except student loans).

The CDC will exclude all student financial assistance in determining income for the following:

- Eligible single student, over age 23 with dependent child
- Eligible single student, age 24 or older
- Student of higher education (regardless of age), living in parental household

8. Alimony and Child Support

Alimony and child support payments are counted as income for Tenant Rent calculation purposes. The amount awarded is counted unless the tenant can verify that they are not receiving that amount. Third-party verification of income from these sources is obtained by contacting the former spouse and/or the Child Support Recovery Unit. If the verification is not received within a reasonable amount of time, the CDC will allow the family to submit at least the last three (3) months of child support check stubs and/or complete a self-declaration statement.

9. Lump Sum Payments

Lump-sum payments received due to delayed start of periodic payments (e.g., unemployment, TANF, or child support) except Social Security and Supplemental Security Income benefits (which are not counted as income), whether due to disputes or processing problems, are counted as income in the following manner:

a. If the lump sum amount is reported within ten (10) calendar days of the date it was received, the lump sum amount will not be taken into account prior to the next re-certification. If, at the next annual re-certification, the lump sum amount has been converted to an asset (i.e., placed in a savings account or invested), it will be treated like any other asset.

b. If the lump sum is <u>not</u> reported within ten (10) calendar days, the increased income will be handled retroactively by adding the income to the annual income that was in effect when the payment was received, as long as the date is not prior to program participation. The Total Tenant Payment will be recalculated and compared to the previous Total Tenant Payment. The family has the choice of paying this "retroactive" rent to the CDC in a lump sum or entering into a Promissory Note with the CDC. The family officially owes this money to the CDC whether or not the family chooses to continue its participation in the Housing Choice Voucher program.

Attorney fees may be deducted from lump-sum payments when the services were necessary to recover the lump-sum settlement and when the recovery does not include additional monies to pay the attorney fees*.*

Social Security and Supplemental Security Income benefits that are received in a lump sum or prospective monthly amounts are excluded from annual income. The lump sum payment may be treated as an asset.

10. Income from Assets

a. Assets Valued Under $5000
When assets owned by any family member (including minors) have a combined cash value of less than $5,000, actual income received from the asset(s) is counted as income. (An example is checking and savings accounts.) In determining the value of checking accounts the CDC will use the lesser of the current balance or the average daily balance of the account for the most recent past three (3) months. Anticipated interest will be determined by multiplying the value of the checking account by the annual interest rate.

b. Assets Valued Over $5,000
When assets owned by any family member (including minors) have a combined cash value of more than $5,000 the CDC will use the greater of actual income received from the asset(s) or imputed income using the HUD passbook rate.

c. Assets Disposed of for Less than Fair Market Value
The CDC will count as an asset the difference between the market value and the actual amount received for assets disposed of for less than market value for two (2) years from date of disposition. An imputed income may be calculated if all assets total more than $5,000.

d. Contributions to Retirement Funds
While an individual is employed, only the amount the family can withdraw without retiring or terminating employment is included as assets. After retirement or termination of employment, any amount the employee elects to receive, as a lump sum is included in income.

11. Military (Armed Forces) Pay

The Military Pay of the head of household, spouse or co-head is included in annual income. All regular pay, special pay and allowances of member of the military will be included in income (EXCEPTION: Special hazardous duty pay for a family member exposed to hostile fire is excluded.)

12. Public Assistance

Public assistance includes:
- Temporary Assistance to Needy Families (TANF); and
- General Assistance.

Special calculations must be made for benefits received in “as paid” state or local programs. California and Mendocino County benefits are not “as paid.”

“As paid” programs are those in which the family receives a specific amount for shelter and utilities and the amount is adjusted based upon the actual amount the family pays for shelter and utilities.

13. Imputed Welfare Income

The CDC will not reduce a family’s contribution rent if the family’s welfare benefits were reduced due to:

a. Welfare fraud; or
b. Failure to fulfill the Welfare Department’s economic self-sufficiency or work.

Imputed Welfare income must be calculated if the Welfare Agency verifies in writing that a family has been sanctioned for one of the two reasons above. Under these circumstances, the CDC will not reduce the total tenant payment for the family. The amount of the sanction in welfare benefits is identified as imputed welfare income. The amount of the imputed welfare income plus other income received by the family is used to calculate the total tenant payment.

When new income to the household exceeds the imputed welfare income, the imputed welfare income is no longer considered in the determination of annual income.

The family will be offered an opportunity for an informal hearing. The CDC will determine through third-party written verification why the benefits were reduced or suspended before adjusting the income and rent. If welfare benefits expired and program requirements were met, the family income will be reduced to determine rent.

14. Payments in Lieu of Earnings

When payments in lieu of earnings cannot be anticipated for the twelve (12) months following examination, annualize the payments in lieu of earnings and conduct an interim recertification when income changes. Examples of payments in lieu of earnings may include:

- Unemployment;
- Disability payment (unless it is a lump sum payment);
- Workers' Compensation (unless it is a lump sum payment); and
- Severance Pay (unless it is a lump sum payment).

Lump-sum health and accident insurance payments and Workers' Compensation are not counted as income.

15. Periodic Payments and Allowances

The full amount of periodic amounts received from:

- Social Security;
- Supplemental Security Income;
- Annuities;
- Insurance Policies;
- Retirement Funds;
- Pensions;
- Disability or Death Benefits;
- Alimony or Spousal Support;
- Child Support;
- Other Types of Periodic Receipts.

The withdrawal of cash from an investment that is received as periodic payments (i.e. 401K, IRA) should be counted as income unless the family can document and the CDC verifies that amounts withdrawn are reimbursement of amounts invested.

When a family makes a withdrawal from an account in which it has made an investment (such as an annuity or IRA), the withdrawals count as income only after the amount invested has been totally paid out.

If benefits (such as Social Security or Veteran's benefits) are reduced due to a prior overpayment, use the actual amount of the current allocation (before withholding for medical premiums).

If benefits are reduced due to other withholding, such as an IRS garnishment or child support garnishment, use the full award amount.

16. Income of Dependents

A dependent is a family member who is under 18 years of age, is disabled (regardless of age), or is a full-time student (regardless of age).

The head of household, spouse or co-head, foster-child, or live-in aide are never dependents.

Benefits and non-earned income of minors is counted in determining annual income. Earned income of minors is not counted.

Count only the first $480 of earned income of full-time students age 18 and older who are not the head of household, spouse or co-head.

Count all non-earned income of full-time students except for financial assistance of dependent students of higher education.

Count all income (earned and non-earned) of the head of household, spouse or co-head, even if he/she is a full-time student or a minor.

17. Income of a Live-in Aide

The income of a live-in aide is excluded from income provided that the person meets the live-in aide criteria established by HUD.

A live-in aide is a person who resides with one or more elderly or near elderly persons or persons with a disability and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

This definition does not automatically exclude relatives. Husbands or wives for example may provide attendant care for spouses would not have their income excluded since they would be living in the unit and are legally responsible for support. An adult son, daughter or other relative would have their income excluded if they can demonstrate that they otherwise would be living elsewhere. Verification would involve a determination regarding whether the person previously lived outside the unit and moved back solely to take care of the family member, and has not resided in the unit for at least six (6) months.

Verification of need for live-in aide services should be obtained from qualified medical, health or social services/rehabilitation specialists. Verification of legal requirement for support includes marriage certificates, court ordered guardianship, or other legal documents requiring the attendant to be legally responsible for support of the person they care for. The CDC would have to verify residency of the attendant as being elsewhere through prior landlords, rental agreements or leases, rental receipts, utility bills in the attendant's name for another address, driver's license or other government issued ID, etc.

Live-in aides are not remaining members of a resident family and must vacate the unit if the person they care for vacates. Also, live-in attendants should have their own bedroom and may have family members live with them provided that HUD will not increase the subsidy by the cost of additional bedrooms and the presence of the live-in aide's family does not cause over-crowding.

C. AVERAGING INCOME

There are two ways to calculate income when the income cannot reasonably be anticipated for a full year:

1. Annualize current income (and subsequently conduct an interim reexamination if income changes); or

2. Average known sources of variable income to estimate an annual income (no interim adjustment is required if income remains as predicted).

Income from the previous year may be analyzed to determine the amount of anticipated income when future income cannot be clearly verified. If, by averaging, a reasonable estimate can be made, that estimate will be used to anticipate annual income over the next twelve (12) months, instead of changing the HAP every month as the income fluctuates.

D. FEDERALLY MANDATED INCOME EXCLUSIONS

Some amounts are prohibited from being included in a family's income for rent determination purposes. These amounts, called exclusions, are not part of Annual Income.

Excluded income is reported on form HUD-50058.

The CDC must obtain verification for income exclusion if, without that verification, the CDC would not be able to determine whether or not the income is to be excluded from Annual Income. Depending on the circumstances, any or all of the following may need to be verified:

- Source of excluded income;
- Circumstances that qualify a family member's income to be excluded; or
- The amount of the exclusion

1. Wages of Family Members Under Age 18

   The full amount of income from employment of children (including foster children) under the age of 18 (excluding the head of household, spouse of head of household, or co-head).

2. Earnings in Excess of $480 for Full-Time Students Over Age 18 (except Head of Household, spouse or co-head)

   The first $480 of earned income of each full-time student 18 years old or older (excluding the Head of Household, spouse or co-head) earned is counted in calculation of Annual Income.

3. Refunds or Rebates of Property Tax on Home

   Amounts received by a family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit are excluded in the calculation of Annual Income.

4. All student financial assistance for:
   - Eligible single student, over age 23 with dependent child
   - Eligible single student, age 24 or older
   - Student of higher education (regardless), living in parental household

5. Lump-Sum Additions to Family Assets

   Lump-sum additions to family assets, such as inheritances, health and accident insurance, worker's compensation, capital gains and settlements for personal or property losses are excluded in the calculation of Annual Income.

6. Lump-Sum Payments of Deferred Benefits

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 in the calculation of Annual Income.

7. Amounts Set Aside for Use under PASS

Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) are excluded in the calculation of Annual Income.

8. Temporary, Non-Recurring, Sporadic Income

Temporary, non-recurring or sporadic income (including gifts) is excluded in the calculation of Annual Income.

Sporadic income is that which is not of a regular nature and which cannot be counted on continuing.

9. Medical Expenses

Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member are excluded in the calculation of Annual Income.

10. Income of Live-In Aides

All income of a live-in aide is excluded in determining annual income.

11. Adoption Assistance Payments in Excess of $480 per Child

Count as Annual Income the first $480 per child of adoption assistance payments.

12. Payments to Keep Developmentally Disabled Family Members at Home

An amount paid by a State or local agency to a family with a member who has a developmental disability living at home is excluded in the calculation of Annual Income.

13. Payments Received for the Care of Foster Children or Adults

Payments received for the care of foster children or foster adults are excluded in the calculation of Annual Income. Foster Adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

14. Armed Forces Hostile Fire Pay

    The special pay to a family member serving in the Armed Forces who is exposed to hostile fire is excluded in the calculation of Annual Income. All other pay to household members who are serving in the Armed Forces is included in income.

15. Foreign Government Reparation Payments

    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 are excluded in the calculation of Annual Income.

16. Earnings and Benefits from Employment Training Programs Funded by HUD

    Training programs funded by HUD will have goals and objectives. This is not to be confused with employment by the CDC.

17. Incremental Earnings and Benefits from Participation in Qualifying State and Local Employment Programs

    Incremental earnings and benefits received by 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 are excluded in the calculation of Annual Income.

    A qualified training program is one that is part of a State or local employment-training program and has clear goals and objectives. This would include programs that have the goal of assisting participants in obtaining employment skills, and are authorized or funded by Federal, State or local law, or operated by a public agency. These include programs through Department of Labor, Employment Training Administration, and Welfare-to-Work Grants.
    Amounts excluded by this provision are excluded only for the period during which the family member participates in the employment-training program.

18. Reimbursement for Out of Pocket Expenses While Attending a Public

Assisted Training Program

Amounts received by participants 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 which are made solely to allow participation in a specific program are excluded in the calculation of Annual Income.

19. Resident Service Stipend not to Exceed $200 per Month for Services to the CDC
Amount received under a resident service stipend are excluded in the calculation of Annual Income.

    A resident service stipend is a modest amount, not to exceed $200 per month, received by a resident for performing a service for the CDC 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, ground maintenance, resident initiatives coordination, and serving as a member of the CDC's governing board.

    No resident may receive more than one such stipend during the same period of time.

    The Public Housing Reform Act provides that the governing board of a PHA must generally contain at least one member who is directly assisted by the PHA. To support and facilitate implementation of this new statutory requirement, HUD has clarified that the resident service stipend exclusion covers amounts received by residents who serve on the CDC governing board.

20. The value of the allotment provided to an individual under the <u>Food Stamp Act</u>.

21. Payments to volunteers under the <u>Domestic Volunteer Services Act</u> which includes, but is not limited to:

    - RSVP;
    - Foster Grandparents;
    - Senior Companion Program;
    - VISTA;
    - Peace Corps;
    - Service Learning Program;
    - Special Volunteer Programs;
    - Small Business Administration programs such as National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience;

- Service Corps of Retired Executives (SCORE); or
- Active Corps of Executives.

22. The first $2000 of payments received under the Alaska Native Claims Settlement Act.

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

24. Payments or allowances under Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP).

25. Payments received under programs funded in whole or in part under the Job Training Partnership Act, now known as Workforce Investment Act.

26. Income derived from the disposition of funds of the Grand River Band of the Ottawa Indians.

27. The first $2000 of per capita shares from judgment funds awarded by the Indian Claims Commission or the Court of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior.

28. The full amount of Federal scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work study programs or under the Bureau of Indian Affairs student assistance program.

29. Payments received from programs funded under Title V of the Older Americans Act of 1965 which includes, but is not limited to:

    - Senior Community Services Employment Program;
    - National Caucus Center on the Black Aged;
    - National Urban League;
    - Association National Pro Personas Mayors;
    - National Council on Senior Citizens; or
    - Green Thumb.

30. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund or any fund established pursuant to the settlement in the Agent Orange product liability legislation.

31. Payments received under the Maine Indian Claims Settlement Act of 1980.

32. Child care arranged for or provided under the Child Care and Developmental Block Grant Act or any amount received for such care or reimbursement for costs incurred in such care.

33. Federal and State Earned Income Tax Credit refund payment.

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

35. The first $2000 of income received by an individual Indian derived from interests or trusts or restricted land.

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

37. Any allowance paid under provisions of 38 U.S.C 1805 to a child suffering from spina bifida who is the child of a Vietnam Veteran.

38. Any amount of crime victim compensation that the applicant (under the Victims of Crime Act) receives 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.

39. An amount earned by temporary Census employees for determining income in the Department's assisted housing programs. Terms of employment may not exceed 180 days for the purposes of the exclusion.

E. SELF-SUFFICIENCY INCENTIVE FOR PERSONS WITH DISABILITIES (EARNED INCOME DISALLOWANCE)

1. This disallowance of an increase in earned income only applies to families currently receiving housing assistance. In order to qualify the family is one:

   a. Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment; or
   b. Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

c. Whose annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six (6) months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act. The TANF program includes formula-driven maintenance assistance and such benefits and services as one-time payments; wage subsidies and transportation assistance-provided that the total amount over a six (6)-month period is at least $500; or

d. Previously unemployed includes a person with disabilities who has earned, in the twelve (12) months previous to employment, no more than would be received for ten (10) hours a week for fifty (50) hours per year at one established minimum wage.

Note: Receipt of Food Stamps and/or Medicaid is not part of the TANF program. If no TANF assistance is provided as listed above, the family will not qualify for the earned income disallowance under TANF provisions but may qualify under the remaining criteria. The CDC will verify receipt of benefit or services other than monthly maintenance with the TANF provider if the family indicates that their eligibility for the earned income disallowance is based on other assistance under TANF.

Incremental increases in earned income are excluded fully for the first twelve (12)-month period and 50% excluded for the second twelve (12)-month period. The CDC will maintain a log for each individual showing, if applicable, earning and benefits from qualified training programs, incremental earnings from increased employment for the first twelve (12)-month period and the second twelve (12)-month period. Since the total window of opportunity for the earned income disallowance extends over forty-eight (48) months, the log will adequately reflect all periods of employment and non-employment, to assure the family member receives the benefit of each full twelve (12)-month period.

2. The disallowance of increase in earned income will be calculated as follows:

a. During the cumulative twelve (12) month period beginning on the date a member, who is a person with disabilities of a qualified family, is first employed or the family first experiences an increase in annual income attributable to employment, the CDC must exclude from annual income, of a qualified family, any increase in income of the disabled family member as a result of employment, over prior income of that family member.

Example: The disabled family member receives SSI of $500 per month. The disabled family member starts a job as a greeter at a local retail store for $5.00 per hour, 20 hours per week. Assume for this example the SSI remains the same.

The <u>first 12 months</u> the income is as follows:

SSI: $500 x 12 ‘ $6,000
Work: $5.00/hr x 20 hrs x 52 weeks ‘ <u>$5,200</u>*
$6,000 Gross Annual Income

*this amount is excluded for 12 months.

b. Phase-In Period. During the second cumulative twelve (12) month period after the date a family member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the CDC must exclude from the annual income of a qualified family member fifty percent (50%) of any increase in income of such family member as a result of employment over income of the family member prior to the beginning of such employment.

The <u>second 12 months</u> the income is as follows:

SSI: $550 x 12 ‘ $6,600
Work: $5.50/hr x 25 hrs x 52 weeks ‘ $7,150
Excluded 50% <u>- $3,575</u>
$10,175 Gross Annual Income

c. Maximum four-year disallowance. The disallowance of increased earned income of an individual family member who is a person with disabilities as provided in a. and b., above, is limited to a lifetime forty-eight (48) month period. The disallowance applies for a cumulative twelve (12) month period for the fifty percent (50%) exclusion for the second twelve (12)-month period.

d. This exclusion does not apply to admissions.

Because only a person with disabilities is eligible for the earned income disallowance under the Housing Choice Voucher Program, the CDC will discontinue the allowance for a qualifying person with disabilities who is no longer considered disabled at their next regularly scheduled recertification. A decision regarding “no longer disabled” will be verified through the Social

Security Administration for SSI and SDI recipients or from a medical, health, or rehabilitation professional for those not receiving publicly funded benefits.

F. ASSETS

The CDC will determine the net cash value of each asset by deducting reasonable costs that would be incurred to convert the asset to cash from the market or face value of the asset.

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD's, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property: penalty fees for early withdrawal of IRA's, pensions and annuities.

If assets are held jointly in an "and" or an "or" account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The CDC must be able to verify the restriction.

Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

Assets include, but are not limited to trusts (only if a family member has access or control of the trust), joint accounts, investments, CDs, IRAs, Keogh, real or personal property or other annuities to which the family member has access even if penalties would be imposed for early withdrawal.
In determining the net cash value of assets, the CDC will treat assets as follows:

1. Trusts

Principal from a trust is not counted as an asset if the trust is not revocable by, or under the control of, any member of the family, so long as the fund continues to be held in trust. Any distributions are considered to be part of annual income. A lump sum distribution in total or in part will be added to all other income and divided by twelve (12) to obtain the gross monthly income. Verification of trust provisions should be contained in the original trust documents. If the documents cannot be obtained, verification should be obtained from the trustee (an individual or financial institution).

If a family sets up an irrevocable trust for the benefit of another person outside of the household, the CDC must determine whether or not the value of the trust is less than the fair market value of the assets contained therein had the family retained the asset. If that is the case, the fair market value less reasonable costs must be determined and the net value of the asset included in total assets. Any income the family receives from this trust will be included in annual income. Nominal amounts set aside in trust for or donated to charitable organizations up to $1000.00 will not be considered assets disposed of for less than fair market value.

2. Joint Ownership

For joint ownership of assets, the CDC must determine the percentage of ownership attributable to the family member. Documents that may provide this information include deeds, tax returns, ownership papers, and financial institution records. These types of documents should, if applicable to the asset, describe whether the family member has full or restricted access to the asset. If restricted, the CDC will use only that portion of the asset available to the family member.

3. Investments

The family must maintain the original copies of receipts for purchases of stocks, bonds, etc. Another source is original periodic statements from brokers that reflect the cost basis of any investment holding which are liquidated. This information will provide the basis for determining reimbursement for amounts invested.

4. Retirement Benefits (CDs, IRAs, Keogh)

Retirement/pension accounts, while the household member is employed, are counted as assets only if there is access to cash from the account while employed. Similarly, if funds are held in the account with the principal restricted from access, only distributions from the fund are counted as income.

5. Checking and Savings Accounts

Checking and savings accounts are also considered as assets. The total amount in savings will be considered an asset unless the account is specifically designated under a plan for self-sufficiency for a person with a disability under Social Security Administration guidelines.

Checking accounts are also assets under HUD guidelines; however, since most checking accounts are used primarily as a pass-through for receipt of income and payment of monthly household expenses, only the amount in the checking account in excess of $1000.00 will be considered to be an asset. The CDC may grant an exception to this threshold if the family states and the CDC can verify that regular household expenses such as rent, utilities, food, etc., exceed that threshold. Verification of these accounts will be made first, from a bank verification form completed by the bank. If the bank charges either the resident or CDC more than $5.00 per Bank Statement, then the CDC will use bank statements and passbooks. Bank statements for at least six (6) consecutive months will be requested for verification of balances in checking accounts. For threshold exceptions, original billings, rental receipts and related documents will be required.

Note: The interest from an interest bearing checking account is considered as income.

6. Annuities

Annuities may provide for either fixed or variable payment. For variable payments, the CDC will evaluate historical information to determine the approximate anticipated payment amount for the next twelve (12) month period. This annualized income may be adjusted based on significant changes from the anticipated income. The holder of an annuity may withdraw the funds at any time before maturity but will pay a penalty for early withdrawal. Verification of the penalty amount may be obtained from the company holding the annuity and should be deducted from the total distribution before determining asset or income amounts. Monthly or periodic regular annuity payments are counted, as income while the principal of the annuity remains an asset until fully liquidated. Verification of any annuity expenses will be obtained from the annuity provider.

7. Net Cash Value of Assets Disposed of for Less than Fair Market Value for 2 Years from Date of Disposition

Reasonable costs include, but are not limited to: penalties for early withdrawal of funds from CD’s, Money Market accounts, IRAs, annuities, etc.; the cost basis plus commissions and fees for stocks, bonds and other capital investments; appraisal fees, realtor commissions, closing costs, repair costs, if applicable, for real property: penalty fees for early withdrawal of IRA’s, pensions and annuities.

If assets are held jointly in an "and" or an "or" account, the full value of the asset less any reasonable costs will be counted unless the family member can demonstrate that their access to the account is legally restricted. The CDC must be able to verify the restriction.
Necessary items of personal property are not counted as assets. These include but are not limited to: clothing; furniture, personal automobiles, computers and related equipment for personal but not business use.

8. Lump Sum Additions

Lump sum additions such as inheritances, insurance payments (including payments under health and accident insurance and Workers' Compensation, except those portions which are reimbursement for expenses paid out by the family or otherwise excluded by HUD regulation), capital gains and settlement for personal or property losses are counted as assets whether or not they are placed in savings or other investment vehicles. The CDC will verify payments of inheritances through the executor; health, accident and Workers' Compensation payments through the provider; capital gains through the broker, original 1099s or tax returns; and settlements for personal or property losses through the insurer.

Lump sum payments of $500 or less will not be included in the calculation of assets.

G. HUD REQUIRED DEDUCTIONS

HUD has five (5) allowable deductions from annual income:

1. <u>Dependent Allowance</u>: $480 each for family members (other than the head, spouse or co-head) who are minors (including children who are adopted), and for family members who are eighteen (18) and older who are full-time students or who are disabled (foster children, foster adults, and children of live-in aides are not entitled to this deduction).

2. <u>Elderly/Disabled Allowance</u>: $400 per family for families whose head**,** spouse or co-head is 62 or over or disabled.

3. <u>Allowable Medical Expenses</u>: Deducted for all family members of an eligible elderly/disabled family.

IRS publication 502 will be used as guidance where questions arise as to an item's eligibility. This publication provides a complete listing and description of allowable medical and dental expenses that can be included as medical deductions. Where an expense item can be treated as either a medical or a disability assistance expense the CDC will calculate the expenses both ways and give the family the greater deduction.

The CDC will advise all families at each certification/recertification that they may report any extraordinary one-time nonrecurring medical or disability expense cost between annual recertification and request an interim recertification.

4. <u>Allowable Disability Assistance Expenses</u>: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the disabled person or another adult family member to work.

Disability assistance expenses are those reasonable expenses that are anticipated during the period for which annual income is computed for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled family member) to be employed. These expenses may not be paid to a member of the family nor reimbursed by an outside source.

The CDC must determine what is "reasonable" based on local conditions and costs as well as whether the expenses are directly linked to enabling the family member to work. Reasonable attendant care costs for the locality should be verified through a local social services agency which handles attendant care needs, or an Independent Living Center that assists families in matching attendants with disabled clients. In determining the reasonable cost for equipment, special apparatus or accessibility modifications, the family should provide estimates of costs for the CDCs use in evaluating what is "reasonable".

Attendant care includes the actual cost of providing an attendant to care for a disabled person either in the home or in the work place based on local standards for hourly pay or salary. Equipment may include but not be limited to providing a wheelchair (manual or electric) to allow the disabled individual the mobility to go from home to place of employment or to facilitate care in the home, ramps to provide access to and from the unit, modifications to a vehicle or special equipment to enable a blind individual to read or type, but only if this enables the disabled person or other family member to work, any other type of special equipment needed for mobility if the use thereof is demonstrated to be employment related for the disabled person or another family member. The amount allowed is limited to the amount that exceeds 3% of gross family income and does not exceed the amount earned as a result of the expense.

The CDC must be able to verify that there is a direct link between the disability assistance expenses claimed by the family and a family member (including the disabled family member) going to work. This will generally involve determining whether the employed family member was previously employed.

If more than one family member is enabled to work as a result of the incurring of disability assistance expenses, the CDC will verify the employment and combine the incomes of all working family members to establish the cap by which the expenditures are limited.

In some cases, purchased equipment, a computer with adaptation devises for the disabled individual, for example, will not be used exclusively for employment purposes. In such case, the CDC will require the family to certify as to the percentage of the time the equipment is used strictly for employment purposes and prorate the expense.

Example: A computer is purchased for the home and is used by the disabled person to perform medical billing or transcription. The disabled person certifies that 60% of the computer use is strictly related to the employment and 40% for other personal use. The cost of the computer, peripheral equipment (printer, software, etc) and special adaptive devices is verified by original invoices and receipts to be $2,400. The CDC would allow $1440 as the disability assistance expense deduction provided that the income from the employment use of the equipment exceeds the expense cap.

If both childcare and disability expenses are needed to enable a person to work, the CDC will use the same employment income to justify the childcare allowance and the disability assistance allowance.

5. <u>Childcare Expenses</u>: Deducted for the care of children, including foster children, <u>under</u> thirteen (13) years of age when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.

The following standards are the criteria for allowing childcare expenses as a deduction:

a. Childcare to work: The maximum childcare allowed would be based on the amount earned by the person enabled to work. The "person enabled to work" is the adult member of the household who earns the least amount of income from employment. The childcare deduction may not exceed the amount of income earned by the person enabled to work.

b. Childcare for school: The CDC will compare the number of hours the family member is attending school and base the reasonableness standard on the number of hours that the family member is attending school (with the addition of one hour travel time to and from school) versus the number of hours claimed for childcare. The number of hours for which the childcare deduction is allowed shall not exceed the school and travel time.

c. Childcare to seek employment: The deduction for childcare to seek employment must not exceed the Annual Adjusted Income of the family member seeking employment. The deduction does not include transportation costs, or other expenses incurred, and are limited to one year per individual.

    To claim the deduction, verification from the childcare provider must include the name, address, and phone number of the company or individual childcare provider, the names of the children being cared for, the number of hours for which childcare is provided, the rate of pay, and the typical yearly amount paid (taking into account school and vacation periods).

    Verification from the job seeker must include documentation from an employment service agency and/or written verifications of interviews from potential employers.

Childcare expenses must be “reasonable” and may not exceed the amount of employment income that is included in annual income. The CDC will make a determination as to what is a reasonable rate for childcare based on local conditions and rates. The CDC will obtain information from the social services agency that certifies childcare providers, day care centers, federally funded after school programs, etc., and determine a scale of reasonable costs. If it is determined that there is a significant difference between in-home care and day care center charges, the CDC will develop a separate scale for each.

If the family has school age children who require care only before and/or after school hours, the CDC will consider payment for before and/or after school activities to be a reasonable expense in lieu of individual childcare.

At annual certification the CDC will determine the total anticipated childcare expense for the employed family members (including increases for care need during school breaks and summer vacations for school age children) and average the amount over twelve (12) months. Should there be a significant variation from the estimated amount the family may request an interim certification adjustment.

If childcare is required to allow one or more family members to be employed, the amount of the childcare expense may not exceed the total of earned income received by all family members. The amount of childcare expenditure must be reasonable if the purpose of the childcare is to allow a family member to actively seek employment or to further his or her education.

To qualify for childcare deductions under the provision of actively seeking employment, the family member may be a participant in an official job search program or may simply demonstrate independent job search activities. In either case, in order to verify the time spent in seeking employment, the CDC will require the family to maintain a log that reflects the following:

- The date and time of departure from home (including time needed to drop off children for childcare, if provided outside the home);
- The name and location of the prospective employer, unemployment office or employment agency;
- The name of the person(s) contacted and telephone number;
- The length of time for completion of the application, the interview, testing or other job search activity;
- The time the children are picked up and the time arrived at home;
- The name, address, telephone number and social security number of the childcare provider; and
- The total amount paid for the childcare.

If multiple applications or interviews are held consecutively or on the same day, the above information should be provided for each prospective employer or agency. The CDC will use this information to verify the contacts and the eligibility of childcare expenses. Since job search activities may be irregular and not easily anticipated, the CDC may attempt a limited inclusion at the annual certification and conduct an interim examination after some actual expenditures have been incurred. In many instances, job search periods will be of limited duration, but in some cases the job search period may be extended, especially if the type of employment sought is limited in availability, employment opportunities of any kind are scarce or the job skills needed are unusual.

To qualify for childcare deductions under the provision of furthering education, the family member must demonstrate that they are enrolled in some accredited or approved educational or training program. While the type of educational effort may vary widely and be either full-time or part-time, evidence of regular participation will be required and verified by the CDC. Furthering education can include but is not limited to; completing high school or equivalency (GED), trade school, Community or Junior College, four-year College, technical schools, ESL or basic education classes, apprenticeship programs, certificate programs, clerical school and even independent study, if the family member must access on-line educational programs out of the home. The family member must provide and the CDC verifies information on the type of educational program, the number of units or hours of participation, the name of the educational institution or training facility. The CDC will allow childcare expense coverage to include pick-up and drop-off of children at the provider's location. The CDC will also evaluate expenses which may exceed the norm if childcare must be provided evenings, nights or week-ends for either educational or employment purposes.

The CDC will review the work hours or educational hours to assure that the combined employment or education hours plus pick-up/drop-off times are within a reasonable timeframe (generally determined to be no more than one hour before or after scheduled work hours or class times). Exceptions may be made for overtime, special seminars or testing, providing the CDC can verify the extended times.

Childcare expenses may be divided between two households in cases of split custody. If only one custodian is an assisted family, the cost of childcare will be pro-rated based on the percentage paid by each custodial parent. The cap on eligibility for childcare expenses allowed the assisted family would still be based on the earned income limitation.
One or more family members can engage in qualifying activities for childcare purposes as long as the limitations of reasonable expenses for job search and education and expenses not exceeding earned income for employment are applied.

The deduction for childcare is not given if an agency or person outside the household reimburses the expenses.

H. MINIMUM RENT

The minimum rent for voucher participants is set at $0.

I. PRORATED ASSISTANCE FOR MIXED” FAMILIES

1. Applicability

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

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

2. Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

J. RENT BURDEN

1. Initial Rent Burden

The Rent Burden is the family's payment to the owner/landlord plus utility allowance. This total figure should be equal to or less than forty percent (40%) of the family's monthly adjusted income.

New admissions to the Housing Choice Voucher Program and continuing program participants who move to a new unit will not be allowed to pay more than forty percent (40%) of adjusted income for rent. If the rent burden of the selected unit is over forty percent (40%), the new admission family, or participant family who is moving will be advised to seek a lower priced unit.

2. Family Moves

If a family requests to move out of the current unit to another unit and is eligible for continued assistance, the family will be issued a Housing Choice Voucher and will be subject to the new rent calculation and to the forty percent (40%) rent burden restriction.

3. Owner/landlord Increases in Rent

If an owner/landlord submits notice of an increase in rent for a contracted unit, and the resulting Tenant Rent exceeds forty (40) percent of the family's adjusted income, the family has the option to remain in the unit and pay the additional costs. The family may also submit a Notice to Move to the owner/landlord and request a Housing Choice Voucher to move to another unit.

K. ZERO INCOME FAMILIES

Families reporting no family income will be asked at application and re-certification how the family pays for necessary living expenses. If it is determined that the family is receiving regular monetary or non-monetary contributions and/or gifts from non-household members, the value of these gifts will be annualized to estimate income.

If it is determined that the family receives no income from gifts, contributions, or any other source, the family will be required to complete, sign, and date a statement of zero family income. Such families will be required to maintain all receipts for any expenses (e.g., food and clothing, utility bills) for the most recent three (3) months. This amount, excluding any food stamps or the CDC Utility Allowance payments, will be annualized to determine annual income. Zero income families will be reevaluated every ninety (90) days to determine if there are any new sources of income. The reevaluation may include an inquiry to the Department of Labor.

1. If a family reports that it does not have an income, all adult members will be required to sign a no income affidavit, and answer all questions on a zero-income questionnaire and execute a temporary ninety (90) day recertification.

2. Family members over the age of 18 years of age who are attending school full-time may not be required to report income status every ninety (90) days.

3. Where outside sources are paying bills or donating household goods on a regular basis, the value of these contributions will be included as annual income.

L. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on the family's actual energy consumption. Changes in the allowance will be effective as determined by the Board of Commissioners.

The CDC's Utility Allowance Schedule is set up according to bedroom size and building type. The family will be given the form HUD-52667 with the adopted utility allowances for the area in which the subsidy is issued. The utility allowance schedule will include the allowances for all services for each type unit by bedroom size. When searching for a suitable unit, the family will be able to select the appropriate allowance and calculate the total utility allowance according to the unit selected and the utilities the family will be responsible for paying.

1. Utility Reimbursement Payments

   Where families provide their own range and refrigerator, the CDC will provide an allowance for the range and refrigerator. Allowances for water, sewer and trash services are averaged the same as other utilities. Where the Utility Allowance exceeds the family's Total Tenant Payment, the CDC will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant and/or utility company of the tenant's choice.

2. Utility Allowance Survey

   The CDC will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

M. TOTAL TENANT PAYMENT EXCEEDS GROSS RENT/ZERO HAP ASSISTANCE

Families whose Total Tenant Payment exceeds the Gross Rent of the occupied unit may remain on the CDC's Housing Choice Voucher program for six (6) months from the effective date of the zero assistance. This will not be considered a break in continued assistance. The family may remain in the same unit and pay rent for six (6) months before being removed from the program. If the family's income decreases or the unit rent increases within the six (6)-month period, the family will be reinstated into the program without applying to the waiting list.

The family may request to move to another unit by giving the CDC and the owner/landlord a thirty (30)-day written notice to vacate. The family must pay the rent during the thirty (30)-day period. The CDC will issue the family a Voucher to move at the end of the notice period. If the family moves from the current unit within the six (6)-month period without giving proper written notice, that is a violation of the lease as well as family obligations, a Voucher will <u>not</u> be issued and the family will be terminated from the program. If assistance is terminated, for violation of family obligations, the family is ineligible for rental assistance for up to three (3) years from the date of termination.

3. Utility Allowance Survey

The CDC will review the utility allowance schedule annually. If the review finds a utility rate has changed by ten percent (10%) or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.