

**STATEMENT OF POLICIES GOVERNING
ADMISSION AND CONTINUED OCCUPANCY
FOR THE HOUSING AUTHORITY OF THE CITY OF PASO ROBLES**

SECTION 1. CONDITIONS GOVERNING ELIGIBILITY

A. Eligibility for Admission: Applicants for eligible for admission into low-rent housing with the Paso Robles Housing Authority (PRHA) shall:

- 1) Qualify as a family as defined in Section 4(A) of this policy.
- 2) Not exceed the Net Family Income set forth in Section II.
- 3) Meet at least one of the following criteria:
 - ✓ Be living in dwellings determined to be unsafe, unsanitary or overcrowded as described in Section 3.
 - ✓ Are to be displaced by any low-rent housing project or by any public action as described in Section 9.
 - ✓ Are without housing.
 - ✓ Pay more than 50% of their income for rent.

The requirements of sub-section 3 above do not apply to a family of any Veteran or Serviceman, or an Elderly Family as defined in Section 9(A) (1).

- 4) Conform to the occupancy standards for admission set forth in Section 4.
- 5) A family will not be considered **eligible** unless the PRHA determines that at least one member of the family is a citizen or has eligible immigration status. However, the PRHA will only **accept applications** from families when at least one adult member of the family is a citizen or has eligible immigration status

B. Eligibility for Continued Occupancy: Tenants for continued occupancy with PRHA shall:

- ✓ Qualify as a Family as defined in Section 9(A), or who is the remaining adult member of a tenant.
- ✓ Conform to the occupancy standards set forth in Section 5.

SECTION 2.

INCOME LIMITS ¹

Persons Per Household	1	2	3	4	5	6	7	8
Low Income 80% of area median income	37,500	49,200	48,250	53,600	57,900	62,200	66,450	70,750
Very Low Income 50% of area median income	23,500	26,800	30,150	33,500	36,200	38,850	41,550	44,200
Extremely Low Income 30% of area median income	14,050	16,100	18,100	20,100	21,700	23,300	24,900	26,550

¹ 2008 San Luis Obispo County Income Limits, are set and adjusted annually by HUD. No Minimum Income Limits are established.

SECTION 3.

HOUSING CONDITIONS PRIOR TO ADMISSION

A. Unsafe, Unsanitary or Overcrowded Dwellings are defined as those in which one or more of the following exists:

- 1) The **location** of the unit is such that it creates a health, fire or safety hazard for the occupants.
- 2) The **condition** of the structure creates serious safety or health hazards by reason of structural deficiencies or of continuous dampness or exposure brought about by neglect or dilapidation.
- 3) Lack of **potable running water** within the dwelling.
- 4) No connection between **plumbing fixtures** and adequate **sewage disposal** system.
- 5) No **flush toilet** in dwelling, or if present, unfit for use.
- 6) No **bath tub or shower** in the dwelling, or if present, unfit for use.
- 7) Lack of permanent, safe, and reasonably efficient **kitchen facilities** within the dwelling unit, including sink with running water and provisions for a cooking stove.
- 8) No **electrical wiring**, or inadequately wired for electric lighting.
- 9) Inadequate or unsafe **heating facilities**.
- 10) Living room, bedroom, or kitchen with no **windows**, or windows opening on an airshaft; or toilet or bathroom without **adequate ventilation**.

11) The number of persons occupying a dwelling exceeds the maximum occupancy standards established for continued occupancy (see Section 5), or when two or more families are occupying a dwelling unit designed for single family occupancy.

- B. Actually Without Housing:** Families who have no housing accommodations or are living in automobiles, hotels, motels, or rooming houses without cooking facilities shall be considered as ‘without housing’. (Families living in overcrowded conditions with cooking facilities available shall not be considered as ‘without housing’ but living in sub-standard housing as set forth in paragraph A of this section.
- C. About To Be Without Housing:** A family will be considered to be as “About To Be Without Housing” when requested to vacate the premises currently occupied. The vacate notice may be in the form of a request from the landlord, an eviction notice, a notice of foreclosure, or a notice of displacement by public action.

SECTION 4.

SELECTION OF TENANTS

- A. Governing Conditions:** Conditional on the size and composition of eligible families for an available dwelling unit, the following order of preference in the selection of tenants shall be followed, unless through the application of such preferences it is found that a cross-section of low-income families having the most urgent need is not being served or that the solvency of the PRHA is being jeopardized

1. First Preference: Displaced Families as defined in Section 9.

Among displaced families, **first preference** is to be given to families of disabled Veterans whose disability has been determined by the Veteran’s Administration to be service-connected; **second preference** is to be given to families of deceased Veterans and Servicemen whose death has been determined by the Veteran’s Administration to be service connected; **third preference** is to be given to families of other Veteran’ and Servicemen; **fourth preference** is to be given to other displaced families.

2. Second Preference: Families of Veterans and Servicemen Not Qualifying as Displaced Families in Section 4, paragraph A.1.

Among such families, **first preference** is to be given to families of Disabled Veterans whose disability has been determined by the Veteran's Administration to be service related; **second preference** is to be given to families of deceased Veterans and Servicemen whose death has been determined by the Veteran's Administration to be service connected; **third preference** is to be given to families of other Veterans and Servicemen.

3. Eligible Applicants will be assigned an appropriate position on the waiting list for admission based on type and size of unit required, factors affecting preference, and date and time the application was received. Eligible families will then be chosen in sequence from the waiting list as vacancies occur. Eligible families on the waiting should be advised to contact PRHA if any change in family composition, income, or factors affecting preferences occur.

C. **Determination of Urgency of Housing Need:** Within each preference group and other eligible families, urgency of housing need is to be determined in the order as follows:

1. Family is actually without housing.
2. Family is about to be without housing.
3. Family is living in unsafe, unsanitary or overcrowded housing conditions.

D. **No Discrimination Against Public Assistance Families:** In the selection of tenants, there is to be no discrimination against families otherwise eligible for admission, because their incomes are derived in whole or in part from public assistance. No quotas or other devices, except as necessitated by allocation of units to ranges of specified rents, are to be established to limit the number of tenants receiving public assistance.

E. **No Discrimination Because of Race, Color, National Origin, Creed, Sex, Age, Marital Status, or Handicap:** In the selection of tenants, there shall be no discrimination against families, otherwise eligible for admission, because of their race, color, national origin, creed, sex, age, marital status or handicap.

- F. **Transfer of Tenants:** When a dwelling has become unsuitable to a tenant because of occupancy standards, the tenant shall be required to move to a dwelling of appropriate size as soon as such a unit becomes available. Such transfer shall be by bedroom size and will take precedence over a waiting list of eligible applicants.

SECTION 5. OCCUPANCY STANDARDS

- A. **Number of Occupants Based on Bedroom Size:** Dwellings are to be leased in accordance with the occupancy standards set forth below. Where it is found that the size of the dwelling is no longer suitable for the family in accordance with these standards, the family is to be required to move as soon as a dwelling of appropriate size becomes available.
- 1 bedroom apartment – No more than 2 people
 - 2 bedroom apartment – No more than 4 people
 - 3 bedroom apartment – No more than 6 people
 - 4 bedroom apartment – No more than 8 people

Violation of this term can result in a 30-day Eviction Notice.

- B. **Occupancy With Respect To Persons of the Opposite Sex:** Dwellings are to be assigned so that it will not be necessary for persons of the opposite sex, other than husband and wife, to occupy the same bedroom, except that if necessary at time of admission, two children under four years of age may occupy the same bedroom; and if necessary for continued occupancy, two children of opposite sex under age 6 may occupy the same bedroom.

At admission, one child under two years of age may be permitted to occupy the parents bedroom and if necessary for continued occupancy, one child under four years of age may be permitted to occupy the parents bedroom.

- C. **Occupancy With Respect To Use of Living Room For Sleeping Purposes:** Dwellings will be assigned so as not to require use of the living room for sleeping purposes.
- D. Every family member regardless of age is to be counted as a person. An unborn child will not be counted as a person.
- E. **Use of One Unit For Two or More Unrelated Elderly Single Persons, Handicapped, or Remaining Members of Tenant Families:** When it is determined that two or more unrelated single elderly, or handicapped persons are each eligible as individuals either for admission or continued occupancy and it is determined necessary to conserve space, such persons may be required to live in the same unit, even though the combined income of the group exceeds the income limit for a family of the same number of persons. In the case of such occupancy, rents will be determined separately for each person in accordance with the Schedule of Rents and separate leases executed with each (See Section 7.A5). A remaining member of a tenant family is eligible for continued occupancy but not for admission.

SECTION 6. RECEIPT OF APPLICATIONS AND DETERMINATION OF ELIGIBILITY

This section sets for the basic steps which are to be taken in obtaining and verifying information from the applicant families for the purposes of:

1. Determining whether they meet the conditions of eligibility for admission set forth in Section 1.
2. Applying the preference requirements established in Section 4.
3. Determining the size of dwelling required in accordance with Section 5.

- A. **Establishing an Application Tool:** When there are sufficient applications on file from families having a preference priority, or non-preference families having a substantial housing need to fill vacancies as they occur, applications from families without any preference priority will not be taken.

The pool of active applications on file shall be kept current by:

1. requesting each applicant to inform the management office of continued interest at least once every six months, or
2. by a staff member's contact (verbal or written) with the applicant at not more than 60-day intervals. Notations of dates of contacts and applicant's continued interest are to be made a part of the application record.

B. **Procedure Governing Receipt of Applications.**

1. The application constitutes the basic record of each family applying for admission. Therefore each applicant will be required to supply information as called for on the Application Form and to sign the application, attesting to the accuracy of the information provided. The application, together with all other materials relating to the family's eligibility, preference rating, etc., are to be placed in a folder which is to be established and maintained for each applicant not classified and ineligible or withdrawn.
2. If during the application interview it appears that the applicant is definitely not eligible, the applicant is to be so informed and the application classified as ineligible. In such instances, sufficient information is to be entered on the application form to establish the ineligibility, the applicant informed and applicant's signature obtained.
3. All entries are to be made in ink, indelible pencil or typed in. Corrections or changes are to be made by lining through the original entry and entering the correct data. Such changes are to be dated and initialed by the person recording the change and the reason and authority for such changes noted in the record.

- C. **Verification & Documentation of Application Data:** To assure that the data upon which determinations of eligibility, preference status, rent to be paid and size of dwelling required are to be based are full, true and complete, the information submitted by each applicant is to be verified. Complete and accurate verification records consisting of, but not limited to the following are to be maintained:

- a. Letters or other statements from employers and other pertinent sources giving authoritative information concerning all items and amounts of income and deductions, together with with other eligibility and preference determinations.
- b. Photostatic or carbon copies of documents in the applicant's possession which substantiate his statements, or a brief summary of the pertinent contents of such documents signed and dated by the staff member who viewed them.
- c. Statements from self-employed persons, and from persons whose earnings are irregular, such as salesmen, taxi drivers, etc., sworn to before a notary, setting forth gross receipts, itemized expenses and net income.
- d. Memoranda of verification data obtained by personal interview, telephone, or other means, with source, date received and the person receiving the information clearly indicated.
- e. A record of the physical inspection of the applicant's housing or other documentary evidence that the dwelling is unsafe, unsanitary, or overcrowded; and that the applicant is actually living in such dwelling, if residence is unsafe, unsanitary, or overcrowded is a condition of applicant's eligibility for admission, or is necessary in order to establish urgency of housing need.
- f. Proof that an applicant is, if claimed, actually without housing through no fault of his own.
- g. A Court order of eviction, if applicant claims that he is about to be without housing through no fault of his own.
- h. Proof that an applicant, if claimed, is to be displaced or has been displaced under one of the circumstances cited in Section 9.

D. Summary of Verified Data.

1. Verification data are to be reviewed and evaluated as received for completeness, accuracy and conclusiveness. Where the information received is not completely adequate in all respects, follow-ups or new efforts to obtain such information are to be made and carried through to conclusion. If during the verification process it becomes evident that for one or more reasons, an applicant is ineligible, the investigation is to be discontinued and the applicant notified of his ineligibility and the reason..
2. As verification of all necessary items for each application are completed, a summary of the verified information is to be prepared in the space provided on the right side of the Application for Admission Form. The summary is to cover the following determinations and basis for such determinations:
 - a. Eligibility of the applicant as a Family.
 - b. Eligibility of the family with respect to income limits for admission.
 - c. Eligibility of the family, including Veterans, Servicemen and Elderly Families, with respect to housing need.
 - d. Preference status, if any, of the family.
 - e. Urgency of the family's need for housing.
 - f. Size of unit to which the family should be assigned.
 - g. Rent which the family is to pay.

E. Rechecking Verified Findings Prior To Admission: If the verified data used in determining an applicant's eligibility, preference rating, rent to be charged and size of dwelling are not more than one month old at the time the applicant is selected for admission and the applicant states that no change has occurred on his status, the data will be accepted as reflecting the applicants status at the time of admission.

If data on file are three or more months old, all factors are to be re-verified and findings recorded. Re-verification may be handled informally by telephone or other means provided findings are properly documented showing the source of information, by whom obtained and when.

F. Certification: As part of the application record of each applicant determined eligible for admission, the responsible staff member is to complete and sign the eligibility certification on the reverse of the Application for Admission. By Prospective Tenant form.

G. Assignment of Dwelling Units to Assure Equal Opportunity and Non-Discrimination on Grounds of Race, Color, National Origin, Creed, Sex or Age.

1. The applicant at the top of the community-wide waiting list shall be offered an appropriate size unit. If the applicant rejects an offer, they shall be given a second offer of a suitable vacancy as soon as one becomes available. If the second offer is rejected, applicant shall be moved to the bottom of the eligible applicant list.
2. PRHA shall adopt suitable means to assure the information regarding the availability of accessible units reaches eligible individuals with handicaps, and shall take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disabilities require the accessibility features of a particular unit. To this end, when an accessible unit becomes vacant, the manager, before offering such units to a non-handicapped applicant, shall offer such unit:
 - a) **First**, to a current occupant of another unit of the same project or comparable projects under common control, having handicaps requiring the accessibility features of the vacant unit and occupying a unit not having such features, or if no such occupant exists, then,
 - b) **Second**, to an eligible qualified applicant on the waiting list having a handicap requiring the accessibility features of the vacant unit.
3. When offering an accessible unit to an applicant not having handicaps requiring the accessibility features of the unit, the manager may require the applicant to agree to move to a non-accessible unit when available.

SECTION 7. LEASING OF DWELLING UNITS

A dwelling lease is to be entered into between the PRHA and each of its tenant families. The Dwelling Lease is to be kept current at all items and is to reflect the rent being charged and the conditions governing occupancy.

A. Execution of Dwelling Lease

1. All adult family members (18 years and over) accepted as a tenant are required to execute a Dwelling Lease in duplicate prior to actual admission. The copy is to be given to the lessee and the original is to be filed in the permanent record folder established for the family.

2. If, through any cause, the signer of the Dwelling Lease ceases to be a member of the tenant family, the lease is to be voided and a new Dwelling Lease executed and signed by a responsible remaining member of the family at least 18 years of age, provided the family is eligible for continued occupancy.
3. If a tenant family transfers to a different dwelling operated by PRHA, the existing lease is to be cancelled and a new lease executed for the dwelling into which the family is to move by a responsible member of the family.
4. If at any time during the life of the Dwelling Lease, any other change in the tenant's status results in the need to change or amend any provision of the lease, or if PRHA desires to waive any provision with respect to the tenant, either:
 - a) the existing lease is to be cancelled and a new lease executed, or
 - b) an appropriate rider is to be prepared and made a part of the existing lease, or
 - c) appropriate insertions are to be made with the existing lease. All copies of lease revisions are to be dated and signed by the tenant and the authorized Authority staff member.
5. In the event two or more unrelated single persons (elderly persons or remaining members of tenant families) who are each eligible as individuals are required to occupy the same unit, in the interest of conserving space, a separate lease shall be executed with each person. Such leases shall be amended to include the provision that the unit is leased to all occupants as tenants in common of the entire unit, and that each tenant shall have the right to the use and occupancy of the entire unit in common with his co-tenants.

B. Cancellation of the Dwelling Lease: Cancellation of a tenant's lease is to be in accordance with the provisions contained in the Dwelling Lease.

SECTION 8. RE-EXAMINATION OF TENANT ELIGIBILITY AND RE-DETERMINATION OF NET FAMILY INCOME.

A. Periodic Re-examination of Eligibility and Adjustment of Rent: To assure that tenancy at PRHA is restricted to families meeting the eligibility requirements for continued occupancy set forth in Section 1 and that such families are charged appropriate rents, the eligibility status and Net Family Income of each tenant is to be periodically re-examined and re-determined once every 12 months. After the tenant's eligibility status and family income have been determined, such action as may be necessary is to be taken (See paragraphs D & E).

B. Special Re-examinations: If at time of Admission or Re-examination it is not possible to make an estimate of Net Family Income for the next twelve month period with any degree of accuracy because:

- 1) A tenant is unemployed and there are no anticipated prospects of employment; or
- 2) The conditions of employment and/or receipt of income are so unstable as to invalidate usual and normal standards for determination,

A special re-examination shall be scheduled for a specified time (either 30, 60, 90 or 120 days) depending upon the staff member's estimate of time required for the family circumstances to stabilize. If at the time of such special re-examination it is still not possible to make a reasonable

estimate of Net Family Income, special re-examinations shall continue to be scheduled and conducted until such time as a reasonable estimate of family income can be made for the next 12 months.

Families whose past employment has been sporadic or who are on welfare, then work, and then are unemployed should not be given special re-examinations. If such an income pattern is expected to continue, their 12 month estimate of income may be based on past income and present rate of income.

When it is not possible to estimate Net Family Income with any reasonable degree of accuracy for the next 12 months and a special re-examination is scheduled, the family's rate of income, based on the income expected to be received by the family from the date of the current determination to the date of the special re-examination, is to be projected for a 12 month period for rent and eligibility purposes even though it is known that income in such amount or from such sources will not continue for that period.

If no income is expected and the family is living on savings, the minimum rent should be charged pending the establishment of income. Special re-examinations must be clearly set for a definite time and controls established to assure compliance.

C. **Interim Re-determination of Net Family Income and Adjustment of Rent:** No rent adjustments are to be effected between dates of periodic re-examinations or pre-scheduled special re-examinations except as provided in the following paragraphs:

- 1) In addition to submitting such information as may be required at time of periodic re-examination (or special exam) of eligibility and re-determination of Net Family Income, tenants are to be required to report to the PRHA office the following defined changes in family circumstances:
 - a) Changes Affecting Lessee. Loss of lessee through death, divorce, or other continuing circumstance, or addition of a family member who in accordance with PRHA policy should become the lessee.
 - b) Changes Affecting Principal Income Recipient.
 - Loss of, or addition of principal income recipient through marriage, divorce, death or other continuing circumstances;
 - Transfer overseas or return from overseas;
 - Entry into or discharge from military service.
 - Changes in income between regular scheduled re-examinations.

Reports of the above defined circumstantial changes are to be made on or before the first rent payment period subsequent to the occurrence of the change. Upon receipt of such report, an Interim Re-determination of Net Family Income and rent will be conducted. Failure to report the occurrence of the above defined circumstantial changes will require a retroactive rent charge when applicable. The retroactive rent charge will be calculated by charging the tenant the difference between rent paid and rent that would have been paid had changes been reported by the tenant as required by this policy. Failure to report the above defined circumstantial changes may be cause for eviction at the discretion of the Executive Director.

Increases In Rent are to be made effective the first of the month following that in which the change in family circumstance occurred.

Decreases In Rent are to be made effective the first of the month following that in which the change in family circumstances was reported; however, no upward or downward adjustment may be made until all facts have been verified.

In the event a family determined to be ineligible at the time of annual re-examination or a special re-examination is determined to be within income limits before the vacate notice expires, the vacate notice shall be withdrawn; however, the rent being charged may not be adjusted upward or downward until the date of the next scheduled re-examination, unless a family circumstantial change has occurred as defined in paragraph 1 above.

- 1.5) **Repayment Policy for Retroactive Rent.** Families who owe money to the Paso Robles Housing Authority due to the family's failure to report increases in income will be required to repay in accordance with the following Repayment Agreements:
 - a. The maximum time period for a Repayment Agreement will be 18 months.
 - b. The family will be required to pre-pay 20-50% of the amount owed prior to
 - c. execution of the repayment agreement.
 - d. The minimum monthly payment will be \$50.00.
 - e. Repayment Agreements will be executed between PRHA personnel, the head of
 - f. household, spouse, and/or co-head.
 - g. A payment will be considered in arrears if the payment has not been received by the
 - h. close of the business day on which the payment was due. If the due date is on a
 - i. weekend or holiday, the due date will be at the close of the next business day.
 - j. The Repayment Agreement will be in default when 2 payments are delinquent. When the Repayment Agreement is in default, no future repayment agreement will be made with the same family. All monies will become due in full at the time of default.
 - k. If the money is not repaid in full at the time of default, the PRHA will resort to:
 - i) legal procedures to collect the unpaid amount and
 - ii) the 30 day eviction process.
- 2) If an error in rent is revealed at any time during the income year, the staff shall make Proper adjustments to correct the error as follows:
 - a) If the error was the fault of the tenant and corrective action results in an increased rent, such rent shall be retroactive to the date of the last rent determination.
 - b) If the error was the fault of the tenant and corrective action results in decreased rent, such rent shall be effective the first month following detection.
 - c) If the error was not the fault of the tenant and corrective action results in increased rent, such rent shall be effective the first of the month following detection.
 - d) In the event the error was not the fault of the tenant and corrective action results in decreased rent, such rent shall be made retroactive to the date of the last rent determination.

D. Re-Examination Procedures. Data assembled at the time of reexamination is to be filed in the folder set up for the family at the time of its application for admission.

1. Receipt of Application for Continued Occupancy. A responsible, adult member of each tenant family is to be required at the time of reexamination, to submit information for completion of Application for Continued Occupancy by Tenant Form and to sign the form.

All entries are to be made in ink, indelible pencil, or typed in. Corrections or changes are to be made by lining through the original entry and entering the correct data. Such changes are to be dated and initiated by the person recording the changed data. The reasons and authority for such changes are to be noted in the record.

2. Verification and Documentation of Re-examination Data. To assure that the data upon which determinations of eligibility for continued occupancy, rent to be paid and size of dwelling required are to be based are full, true and complete, the information submitted by each tenant is to be verified. Complete and accurate verification records as specified in Section 7.C are to be maintained in the tenant's folder.
3. Summary of Verified Data. Verification data are to be reviewed and evaluated as they are received for completeness, adequacy and conclusiveness. Where the information received is not completely adequate in all respects, follow-ups or new efforts to obtain such information are to be made and carried through to conclusion.

As verifications of all necessary items for each application are completed, a summary of the verified information is to be prepared in the space provided on the Tenant Data Summary form HUD 50058.

The summary is to cover the following determinations and the bases for such determinations:

- a) Eligibility of the tenant group as a family or as the residuum of a family;
- b) Eligibility of the family with respect to income limits for continued occupancy;
- c) Size and dwelling required, and
- d) Rent which the family is to pay.

4. Certification. As part of the record of each family re-examined, the responsible staff member at PRHA is to complete and sign the eligibility certification on the Tenant Data Summary form.

E. Action Required Following Re-Examination. Within 30 days after the tenant has submitted all the information required the tenant is to be informed in writing concerning:

- 1) Any change to be made in the rent or size of dwelling occupied; together with instruction for executing a new lease or amendment if required; and
- 2) Any instances of mis-representation or non-compliance with the terms of the lease revealed through re-examination and any corrective or punitive action which is to be taken.

Tenants found to be ineligible for continued occupancy are each to be issued a Notice To Vacate allowing them a period of not more than three months. If the tenant has not vacated by the expiration date of the three month vacate notice because suitable housing is not immediately available, the notice may be formally extended up to a maximum of six months from date of determination of eligibility. PRHA will not commence eviction proceedings, or refuse to renew a lease based on the income of the tenant family unless:

- a) It has identified for possible rental by the family, a unit of decent, safe and sanitary housing of suitable size available at a rent not exceeding the tenant rent as defined in Section K and calculated in Section N, or
- b) Is required to do so by law.
- c) At the discretion of the Executive Director, a tenant may receive a 30 day eviction notice who has two or more incidents of mis-representing family income or the number of family members living in the home (30 day eviction notice).

Ineligible tenants who do not move voluntarily by the expiration date of their Notices To Vacate or formal extension thereof are to be evicted. In all cases, eviction action shall be started no later than six months from the date of determination of eligibility.

If the re-examination discloses that the tenant, at time of admission or at any previous re-examination made is-representations which resulted in being classified as eligible when in fact the tenant was ineligible, the tenant is to be required to vacate even though he may be currently eligible.

Also, if at time of re-examination it is found that tenant mis-representations have resulted in paying a lower rent than should have been paid, tenant is to be required to pay the difference between the rent that has been paid and the rent that should have been paid.

If it is found at time of re-examination or at any other time that the tenant has failed to report changes in family circumstances as they occurred and such changes would have required that a higher rent be paid, the increased rent is to be made retroactive to the first rent payment period after date on which the change of circumstance occurred.

SECTION 9 . DEFINITION OF TERMS

- A. Family: A group of two or more persons related by blood, marriage, adoption or who have Established a stable relationship, who will live regularly together in the same dwelling unit; a Single person who has attained age 62, a single person of any age who is under a disability as defined in Section 223 of the Social Security Act; displaced persons defined in (O) of this section. Other persons may be considered as part of a family (including foster children and members of the family temporarily absent) and whose income and resources are available for use in meeting the living expenses of the group. A group of unrelated non-elderly persons does not constitute a family, nor may lodgers be included in the family. A family is also a remaining member of a tenant family.
- 1) Elderly Family. A family whose head or spouse (or sole member) is a person who is elderly, disabled or handicapped. It may include two or more elderly, disabled or handicapped persons living together, or one or more such persons living with another person who is determined to be essential to their care or well-being.
 - 2) Elderly Person. A person who is at least 62 years of age.

- B. Head of a Family. That member of the group who is legally or morally responsible for the family.
- C. Veteran. For the purpose of applying preferences and waiving the previous housing requirement, A “Veteran” means a person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.
- D. Serviceman. For the purpose of applying preferences and waiving the previous housing requirement, a “Serviceman” means a person, male or female, who has served in the active military or naval service of the United States.
- E. Family of Veteran or Serviceman.
1. A family is a “Family of a Veteran or Serviceman” when:
 - a. The head of the family is a Veteran or Serviceman;
 - b. A member of the family, related to the head by blood, marriage, or adoption, is a Veteran or Serviceman;
 - c. The former head of the family is a deceased Veteran or Serviceman provided the spouse has not remarried; or
 - d. A former member of the family, related to the head by blood, marriage or adoption, is a deceased Veteran or Serviceman and was a member of the family at the time of death.
 2. To qualify a family as the “Family of a Veteran or Serviceman”, the Veteran or Serviceman, unless deceased, must be living with the family or be only temporarily absent unless:
 - a. The Veteran or Serviceman, formerly the head, is permanently absent because of hospitalization, separation, or desertion;
 - b. The Veteran or Serviceman; formerly the head, is divorced, provided there remains in the family one or more persons for whose support he is still legally or morally responsible and provided that the spouse has not remarried; or
 - c. The Veteran or Serviceman, not the family head, is permanently hospitalized provided that he was a member of the family at the time he was hospitalized and provided further there remaining the family two or more persons related to him by blood, marriage or adoption.
- F. Military or Naval Service of the United States. “Military or Naval Service of the United States” means only the Army, Navy, Air Force, Marine Corps, Coast Guard and since July 1945, the commissioned Corp of the United States Public Health Service. Such service does not include Merchant Marine, Red Cross, UNRRA, ICA, or any other organization not actually part of the Military or Naval Service of the United States.
- G. Dependent. A member of the Family household (excluding foster children) other than the Family Head or spouse, who is under 18 years of age, or is a disabled person or handicapped person, or is a full-time student.

- H. Utilities. “Utilities” means water, electricity, gas, other heating and cooking fuels and other utilities. Other utilities may include, but are not limited to ice, sewerage, garbage or trash collection service for which a separate charge is made to the tenant by this Authority or by others. Telephone service may not be included as a utility.
- I. Contract Rent. “Contract Rent” means the rent charged a tenant for use of the dwelling accommodation, equipment, services and utilities supplied by the project and sold to the tenant as a transaction separate from the payment of such rent, charges for excess utility consumptions or miscellaneous charges.
- J. Gross Rent. “Gross Rent” means contract rent plus the value or cost to the tenant for reasonable amounts of utilities not included in the Contract Rent.
- K. Annual Income. Annual Income is the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the Family, including all net income derived from assets, for the 12 month period following the effective date of initial determination or re-examination of income, exclusive of income that is temporary, non-recurring or sporadic as defined in paragraph (c) of this section, and exclusive of certain other types of incomes specified in paragraph (d) of this section.

Income includes but is not limited to:

1. The full amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from operation of a business or profession (for this purpose, expenditures for business expansion or amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from a business).
3. Interest, dividends, and other net income of any kind from real or personal property (for this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property.) Where the family has Net Family Assets in excess of \$5000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD.
4. The full amount of periodic payments received from social security, annuities, insurance policies retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment.
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay (see paragraph (c) (3) of this section).
6. If welfare assistance payments include an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities plus,
 - b) The maximum amount the welfare assistance agency could in fact allow the family for shelter and utilities. If the family’s welfare assistance is reduced

from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulted from one application of the percentage.

7. Periodic and determinable allowances. Such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
 8. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse or other person whose dependents are residing in the unit (see paragraph (c) of this section, and
 9. Any earned income tax credit to the extent it exceeds income tax liability.
- C. Annual Income does not include such temporary, non-recurring or sporadic income as the following:
- 1) Casual, sporadic or irregular gifts.
 - 2) Amounts that are specifically for or in reimbursement of the cost of medical expenses.
 - 3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (see paragraph (b) (5) of this section.
 - 4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes that available for subsistence are to be included in income, and
 - 5) The hazardous duty pay to a family member in the Armed Forces away from home and exposed to hostile fire.
- D. Income does not include:
- 1) Income from employment of children including foster children under the age of 18 years.
 - 2) Payments received for the care of foster children.
 - 3) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following types of income are subject to such exclusion:
 - i. Relocation payments made under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
 - ii. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977.
 - iii. Payments to volunteers under the Domestic Volunteer Services Act of 1978.
 - iv. Payments received under the Alaska Native Claims Settlement Act.
 - v. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes.
 - vi. Payments for allowances made under the Department of Health and Human Services Low Income Home Energy Assistance Program.
 - vii. Payments received from the Job Training Partnership Act.
 - viii. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.

- ix. The first \$2000 of per capita shares received 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 Interior.
- E. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period.
- F. The following computation is to be used to arrive at the anticipated annual income:
- 1) Monthly – Multiply the gross monthly income by 12 pay periods.
 - 2) Semi-Monthly – Multiply the gross semi-monthly income by 24 pay periods.
 - 3) Hourly – Multiply the gross hourly rate time the number of hours worked each week. Then multiply the product of that calculation times 52 pay periods.
 - 4) Weekly – Multiply the gross weekly rate times 52 pay periods.
 - 5) Bi-Weekly – Multiply the gross bi-weekly rate time 26 pay periods.
- G. Adjusted Income. Annual Income less:
- 1) \$480 for each dependent
 - 2) \$400 for any Elderly Family.
 - 3) Medical Expenses in excess of three percent of Annual Income for any Elderly Family.
 - 4) Child Care expenses.
- H. Child Care Expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age and disabled family members during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to be gainfully employed or to further his or her education. The amount deducted shall reflect reasonable charges for child care and in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.
- I. Total Tenant Payments. Total tenant payment for families whose initial lease is effective on or after August 1, 1982 shall be the highest of the following, rounded to the nearest dollar:
- a. 30 percent of Monthly Adjusted Income.
 - b. 10 percent of Monthly Income; or
 - c. If the family receives welfare assistance from a public agency and a part of such payments adjusted in accordance with the family's actual housing costs is specifically designated by such agency to meet the family's housing costs, the monthly portion of such payments which is so designated. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- J. Displaced Family. Displaced Family means a person or family displaced by governmental action or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
- K. Net Family Assets. Net Family Assets include the value of, or equity in, real property, savings bonds, stocks and other forms of capital investment. The value of personal property such as

furniture and automobiles is to be disregarded in the Net Assets Determination. Any income distributed from a trust fund shall be counted when determining Annual Income. PRHA shall include the value of any assets disposed of by an applicant for less than fair market value during the two years preceding the date of application for the program or re-examination in excess of the consideration received therefore.

- L. Disabled Person. A person under a disability as defined in Section 223 of the Social Security Act or in Section 102 of the Developmental Disabilities Services Facilities Construction Amendments of 1970.
- M. Full Time Student. A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.
- J. Medical Expenses. Those medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance.