

CHAPTER 6- ANNUAL OCCUPANCY CYCLE PROCEDURES

This chapter identifies actions to be taken on an annual basis to conform to HUD regulations.

6-1 OCCUPANCY CYCLE ACTIVITIES

6-1(A) Reexamination of Tenant Eligibility and Redetermination of Household Income.

6-1(B) Annual Review and Inspection of Dwelling Units.

6-1(C) Ongoing and Preventive Maintenance Functions to Dwelling Units.

6-2 RE-EXAMINATION OF TENANT ELIGIBILITY AND RE-DETERMINATION OF INCOME

6-2(A) At least annually HACK will conduct a reexamination of family income and circumstances to assure that residency in HUD-assisted housing units is restricted to those households meeting the eligibility requirements for continued occupancy as stated in Chapters 1 and 2. The result of the reexamination determines:

the rent the family will pay; and

whether the family is housed in the correct unit size.

Whether the family is still income-eligible to participate in the program

6-2(B) REEXAMINATION PROCEDURES ARE AS FOLLOWS:

1. Data obtained at the time of admission should be on file, as well as in the computer. A computer printout will be provided for scheduling purposes.
2. A letter scheduling the date and time of reexamination will be sent to the resident within 10 days of the appointment date to provide advance notice. The notice should indicate what documentation he/she is required to submit in order to complete this process. Examples of documentation are: A copy of the AFDC award letter, W-2 form, birth certificate, etc.
3. HACK will also give the family the option of selecting either the flat rent or income method, and scheduling an appointment if they are currently paying an income rent. If the family thinks they may want to switch from a flat rent to an income rent, they should request an appointment. At the appointment, the family can make their final decision regarding which rent method they will choose. The letter also includes, for those families paying the income method, forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter tells

families who may need to make alternate arrangements due to disability that they may contact staff to request an accommodation of their needs.

During the appointment, HACK will determine whether family composition may require a transfer to a different bedroom size unit, and if so, the family's name will be placed on the transfer list.

4. At the scheduled appointment date, the responsible party or parties will be required to submit requested documentation, answer required questions pertaining to the application and sign the application reexamination form. All entries are to be made in ink, indelible pencil or typed in. Corrections and changes are to be made by lining through the original entry and entering the date of correction. Such changes are to be dated and initialed by the person recording the changed data, and the reasons and authority for such changes are to be noted in the record. All changes should be made through the computer as well, so that information will correspond with the file. A review of the Application Intake Procedures, and Verification Procedures will be helpful prior to completing a reexamination.
5. **All documentation submitted by a resident will be verified according to the same verification procedures in Chapter 2. After completion of all necessary verification and any follow-ups, a determination will be made of the following:**
 - a. That the resident is eligible as a family or is the residual member of the family.
 - b. That the resident is an eligible low-income household.
 - c. That the resident is residing in a unit of the appropriate bedroom size.
 - d. The rent to be paid by the family.

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in HACK taking eviction actions against the family.

6-3 **FLAT RENTS**

The annual letter to flat rent payers regarding the reexamination process will state the following:

1. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the income amount.
2. The amount of the flat rent.
3. A fact sheet about income rents that explains the types of income counted, the most common types of income excluded, and the categories of allowances that can be deducted from income.
4. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.
5. **Families who opt for the flat rent may request to have a reexamination and return to the income based method at any time for any of the following reasons:**
 - a. The family's income has decreased.
 - b. The family's circumstances have changed increasing their expenses for child care, medical care, etc.
 - c. Other circumstances creating a hardship on the family such that the income method would be more financially feasible for the family.
6. The dates upon which HACK expects to review the amount of the flat rent, the approximate rent increase the family could expect, and the approximate date upon which a future rent increase could become effective.
7. The name and phone number of an individual to call to get additional information or counseling concerning flat rents.
8. A certification for the family to sign accepting or declining the flat rent.

6-3 (B) Each year prior to their anniversary date, HACK will send a reexamination letter to the family offering the choice between a flat or an income rent. The opportunity to select the flat rent is available only at this time. At the appointment, HACK may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with HACK representative, they may make the selection on the form and return the form to HACK. In such case, HACK will cancel the appointment.

6-4 THE INCOME METHOD

6-4 (A) During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

6-4 (B) UPON RECEIPT OF VERIFICATION, HACK WILL DETERMINE THE FAMILY'S ANNUAL INCOME AND WILL CALCULATE THEIR RENT AS FOLLOWS:

The total tenant payment is equal to the highest of:

1. 10% of monthly income;
2. 30% of adjusted monthly income;
3. The welfare rent; or
4. The minimum rent.

6-5 SUMMARY OF VERIFIED DATA

6-5 (A) Verification data is to be reviewed and evaluated as 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 will be made and carried through to conclusion. As verification of all necessary items for each application are complete, a summary of the verified information is to be prepared on the Recertification form. The summary will cover the following determinations and the basis for such determination:

1. Eligibility of the household as a family or as the residual member of a family;
2. Eligibility of the household with respect to conduct;
3. Size of dwelling required; and
4. Rent which the family is to pay.

6-5 (B) CERTIFICATION

As part of the record of each family reexamined, a designated staff member will complete and sign the eligibility re-certification form.

6-5 (C) REQUIREMENTS FOLLOWING THE REEXAMINATION ARE AS FOLLOWS:

Within thirty days after the resident has submitted all the required information as called for on the Application for Continued Occupancy form, he or she is to be informed concerning:

1. Eligibility status and, if ineligible, the action to be taken.
2. Any changes in rent or size of the dwelling occupied, together with instructions for executing a new lease or amendment, if required.
3. Any instances of misrepresentation or non-compliance with the terms of the lease revealed through reexamination, and any corrective or punitive action which is to be taken.
4. If it is determined that the resident family no longer qualifies as a family of low income, no action may be taken to terminate the lease or commence eviction proceedings on the basis of the income of the family except as provided in Chapter 1.
5. If the reexamination discloses that the resident, at the time of admission or at any previous reexamination, made misrepresentations which resulted in the paying of a lower rent than he/she should have paid, the resident is required to pay the difference between the rent paid and what should have been paid.
6. If the reexamination discloses that the family has a household income of at least 120% of the applicable Area Median Income, and the exceptions stated in Chapter 1 do not apply, then the family will be informed that their income is at least 120% of Area Median Income at the next reexamination, then they will no longer be eligible to participate in the program.
7. Anytime the resident has failed to report changes in family circumstances as they occur, and such changes would have required the resident to pay a higher rent, the increased rent is to be made retroactive to the second rent payment period after the date on which the change of circumstances occurred.

6-6 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL RE-EXAMINATIONS

6-6 (A) The new rent will generally be effective upon the anniversary date with thirty (30) days notice of any rent increase to the family.

6-6 (B) If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30-day notice of the amount. If the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

6-7 SPECIAL RE-EXAMINATIONS

6-7 (A) If, at the time of admission or reexamination, a family is clearly of low income, but it is not possible to make an estimate of family income for the subsequent twelve-month period with any degree of accuracy because:

1. A resident 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;

Special reexamination shall be scheduled for a specified time (either 30, 60 or 90 days) depending upon the staff member's estimate of time required for the family circumstances to stabilize.

6-7 (B) If, at the time of such special reexamination, it is still not possible to make a reasonable estimate of family income, special reexaminations shall continue to be scheduled and conducted until such time as a reasonable estimate of family income can be made for the subsequent twelve months.

6-7 (C) Once a special reexamination has been completed and an estimate of projected income can be established, the reexamination date can be scheduled within the next twelve months.

6-8 INTERIM RE-EXAMINATIONS

No interim redetermination of Annual Income or rent adjustments are to be affected between dates of periodic reexaminations or pre-scheduled reexaminations (as set forth above), except as provided in subparagraphs a & b below:

6-8 (A) In addition to submitting such information as may be required at time of periodic (regular) reexamination (or special reexamination) of eligibility and redetermination of Annual Income, residents whose rents are being determined under the income method are required to report the following changes in family circumstances within ten (10) days of occurrence:

- a. **Changes Affecting Lessees.** Loss of lessee through death, divorce, desertion or other continuing circumstance; or the addition of a family member who (by marriage, remarriage, reconciliation, or otherwise) in accordance with HACK's policy should become the lessee;

- b. **Changes Affecting Principal or Other Income Recipients.** Loss or addition of a principal income recipient for whatever reason; commencement of receipt of earnings or other income by any family member not previously having income; retirement or re-employment of any family member; commencement or discontinuance of any income from any government sources; unemployment for whatever reason (strike, lay-off, sickness or disability) in excess of 60 days and re-employment; entry into or release from military service; loss of full-time student status of a family member who so qualified at admission or last reexamination.
- c. **Changes in annual income,** families whose rent is based on the income method must have their portion of rent recalculated if:
- A family's adjusted income is estimated to have decreased by 10% or more
 - A family's adjusted income is estimated to have increased by 10% or more and they have not had a re-examination within the last three months. HACK will not consider earned income during the interim re-examination when determining if the adjusted income has increased.
- d. **Changes Affecting the Status of Tenancy.** Drug related or violent activity criminal and/or a pattern of alcohol abuse of any family member since the last re-examination date.

6-8 (B) Any tenant who reports a change in family circumstances which he or she believes constitutes a hardship (such as a decrease in income) shall be given an interim income redetermination and if, upon verification, it is determined the existing Total Tenant Payment exceeds HUD requirements, an appropriate adjustment shall be affected. In the event the rent is decreased in accordance with this provision, the resident must report all changes in family circumstances which would result in an increased Total Tenant Payment (such as an increase in income) which occur prior to the next regular reexamination and the Total Tenant Payment will be appropriately adjusted. Failure to report the occurrence of the changes set forth in (a) and (b) above will require a retroactive rent charge when necessary, or may be cause for eviction. Reports of the above-named circumstances are to be made on or before the first of the month subsequent to the occurrence of such change(s).

6-9 EFFECTIVE DATE OF RENT CHANGES DUE TO SPECIAL OR INTERIM RE-EXAMINATIONS

6-9 (A) Increases in rent are to be made effective the first day of the second month following that in which the change occurred (retroactively if necessary). A thirty (30) day notice of the rent increase will be served to the family.

6-9 (B) If the rent determination is delayed due to a reason beyond the control of the family, any rent increase will be effective the first day of the month after the month in which the family receives a 30-day notice of the amount.

6-9 (C) Decreases in rent are to be made effective the first day of the month following that in which the change was reported; however, no downward adjustments in rent are to be processed until all facts have been verified.

If an error in rent is revealed at any time between the date of the first determination or between dates of redetermination, proper adjustment shall be made to correct the error. Such correction shall be made effective the first day of the month following detection.

6-10 CONTINUED OCCUPANCY AND COMMUNITY SERVICE

NOTE: THIS PROVISION IS PRESENTLY NOT APPLICABLE AND WILL NOT BE REINSTATED UNTIL FURTHER NOTICE. REINSTATEMENT, IF ANY, WILL BE NO EARLIER THAN JULY 1, 2003.

In order to be eligible for continued occupancy, each adult family member must either:

1. contribute eight (8) hours per month of community service (not including political activities); or,
2. participate in an economic self-sufficiency program; *or*
3. perform eight (8) hours per month of combined activities as previously described, unless
4. they are exempt from this requirement.

6-10 (A) THE FOLLOWING ADULT FAMILY MEMBERS OF TENANT FAMILIES ARE EXEMPT FROM THIS REQUIREMENT:

1. Family members who are 62 or older
2. Family members who are blind or disabled as defined under 216(l)(1) or 1614 of the Social Security Act (42 U.S.C. 416(l)(1) and who certifies that because of this disability she or he is unable to comply with the community service requirements.
3. Family members who are the primary care giver for someone who is blind or disabled as set forth in Paragraph B above.
4. Family members engaged in work activities.

5. Family members who are exempt from work activity under Part A Title IV of the Social Security Act or under any other State welfare program, including the Welfare-to-Work program.
6. Family members receiving assistance benefits or services under a State program funded under any other State welfare program, including Welfare-to-Work and who are in compliance with that program.

6-10 (B) HACK shall identify all adult family members who are apparently not exempt from the community service requirement.

HACK shall notify all such family members of the community service requirement and of the categories of individuals who are exempt from the requirement. The notification will provide the opportunity for family members to claim and explain an exempt status. HACK shall verify such claims.

The notification will advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after July 1, 2001. For families paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise them that failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

6-10 (C) Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community.

An economic self-sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready a participant to work (such as substance abuse or mental health treatment).

HACK will coordinate with social service agencies, local schools, and the Human Resources Office in identifying a list of volunteer community service positions.

Together with the resident advisory councils, HACK may create volunteer positions such as hall monitoring, litter patrols, and supervising and record keeping for volunteers.

6-10 (D) At the first annual reexamination on or after July 1, 2001, and each annual reexamination thereafter, HACK will do the following:

1. Provide a list of volunteer opportunities to the family members.
2. Provide information about obtaining suitable volunteer positions.

3. Provide a volunteer time sheet to the family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each period of work.
4. Assign family members to a community organization that will assist the family members in identifying appropriate volunteer positions and in meeting their responsibilities. Tracking the family member=s progress will be made at least annually or sooner with the family member as needed to best encourage compliance.
5. Thirty (30) days before the family=s next lease anniversary date, the community organization will advise HACK whether each applicable adult family member is in compliance with the community service requirement.

6-10 (E) HACK will notify any family member found to be in noncompliance of the following:

1. The family member(s) has been determined to be in noncompliance;
2. That the determination is subject to the grievance procedure; and
3. That, unless the family member(s) enter into an agreement to comply, the lease will not be renewed or will be terminated.

6-10 (F) HACK will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency program or agrees to contribute to community service for as many hours needed to comply with the requirement over the past 12-month period. The cure shall occur over the 12-month period beginning with the date of the agreement and the resident shall at the same time, stay current with that year=s community service requirement. The first hours a resident earns go toward the current commitment until the current year=s commitment is made.

The Housing Manager may assist the family member in identifying volunteer opportunities and will track compliance on a quarterly basis.

6-10 (G) If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service, HACK shall take action to terminate the lease.

6-10 (H) In implementing the service requirement, HACK may not substitute community service or self-sufficiency activities performed by residents for work ordinarily performed by its employees, or replace a job at any location where residents perform activities to satisfy the service requirement.

6-11 ANNUAL REVIEW AND INSPECTION OF DWELLING UNITS

- 6-11(A)** Every dwelling should be inspected annually to determine the condition of the unit.
- 6-11(B)** The purpose of the inspection is to determine if the unit is being maintained in decent, safe and sanitary conditions and to identify conditions requiring correction. Also, a determination can be made of any damage incurred by the family which may not have been reported by the family.
- 6-11(C)** The Unit Inspection Form is to be completed during the inspection.
- 6-11(D)** A general walk-through of the entire unit with the resident will present the opportunity to observe any existing conditions posing an unsafe or unsanitary situation. If such a condition is revealed, the Housing Manager will discuss the particular concerns with the resident and offer methods for correcting the situation.
- 6-11(E)** A manager may require a more frequent inspection with a particular resident if unsafe and/or unsanitary conditions are revealed.
- 6-11(F)** It is also required that a reasonable advance notice be given prior to the scheduled inspection.

6-12 MAINTENANCE MANAGEMENT

6-12(A) ROUTINE MAINTENANCE

Consists of requests for services which involve no particular urgency and which allow HACK some discretion in scheduling the work order to gain efficiency. Although usually generated by resident request, such work orders may be initiated by Housing Managers, maintenance staff or other staff.

6-12(B) EMERGENCY MAINTENANCE

Consists of requests for service that involve an immediate threat to life or property such as gas leaks, broken water pipes, etc. Response time for such a request is as soon as possible within 24 hours.

6-12(C) PREVENTIVE MAINTENANCE

Consists of service performed on a unit on a scheduled basis to preserve equipment, major systems and other assets in good operating condition. This function is sometimes incorporated with the annual inspection as defined in Section 6-5.